

**A WAY FORWARD FOR VENEZUELA:
THE HUMANITARIAN, DIPLOMATIC,
AND NATIONAL SECURITY
CHALLENGES FACING THE BIDEN
ADMINISTRATION**

HEARING
BEFORE THE
SUBCOMMITTEE ON
WESTERN HEMISPHERE, CIVILIAN SECURITY,
MIGRATION AND INTERNATIONAL ECONOMIC
POLICY
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A WAY FORWARD FOR VENEZUELA: THE HUMANITARIAN, DIPLOMATIC, AND NATIONAL SECURITY CHALLENGES FACING THE BIDEN ADMINISTRATION

Wednesday, March 3, 2021

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
CIVILIAN SECURITY, MIGRATION, AND INTERNATIONAL
ECONOMIC POLICY,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:08 a.m., in room 2172, Rayburn House Office Building, Hon. Albio Sires (Chairman of the Subcommittee) presiding.

Mr. SIREs. Good morning, everyone. Thank you to our witnesses for being here today.

This hearing entitled, “A Way Forward For Venezuela: The Humanitarian, Diplomatic, and National Security Challenges Facing the Biden Administration,” will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any point and all members will have 5 days to submit statements, extraneous material, and questions for the record, subject to the length limitation in the rules. To insert something into the record, please have your staff email the previously mentioned address.

As a reminder to members, staff, and all others physically present in this room, per recent guidance from the Office of the Attending Physician, masks must be worn at all times during today’s hearing. Please also sanitize your sitting area.

The chair used these measures as a safety issue and, therefore, an important matter of order and decorum for this proceeding.

As a reminder to members joining remotely, please keep your video function on at all times, even when you are not recognized by the chair. Members are responsible for muting and unmuting themselves. And please remember to mute yourself after you finish speaking.

Consistent with H. Res. 8 and other accompanying regulations, staff will only mute members and witnesses as appropriate, when they are not under recognition, to eliminate background noises.

I see that we have a quorum, and will now recognize myself.

This is our first subcommittee hearing of the 117th Congress, so I want to welcome all of our new and returning members. I look forward to working with each of you, Democrats and Republicans, to advance United States interests and deepen our engagement with the Western Hemisphere.

I want to recognize my friend, Juan Vargas, who will be our new vice chair. And I would like to welcome our new ranking member, Mark Green. Congressman Green and I met for the first time last week, and I am optimistic that we will be able to work effectively together on a bipartisan basis.

I called today's hearing because I want to begin this Congress where we began last year, by shining a spotlight on the crisis in Venezuela. Two years ago, I chaired a hearing entitled, "Made by Maduro," where we discussed the humanitarian crisis caused by Venezuela's dictator, Nicolas Maduro.

Unfortunately, while international attention seems to be shifting away from Venezuela, the crisis in the country has only deepened over the last 3 years. A report issued by the United Nations last September confirmed that Maduro's regime has committed crimes against humanity. Over 90 percent of Venezuelans are living in poverty, suffering under conditions made worse by the pandemic. Over five and a half million Venezuelans have been forced to flee their homes.

In April 2019, I led a congressional delegation to the Colombia border with Venezuela. I met mothers who had walked hours in the hot sun just to get a meal for their children. I heard stories about family members with chronic diseases who could not obtain the medication they needed in Venezuela and were struggling to survive. I saw firsthand the suffering this regime has caused.

For me, the Venezuela crisis has never been about politics. The question I have always asked is, what can we, the U.S. Congress, do to help end the humanitarian tragedy?

We have a moral obligation not to turn away from what is happening in Venezuela. I am proud that the U.S. Agency for International Development has led the way in providing humanitarian assistance to the region.

I salute all those courageous Venezuelans and international aid workers who are working in the country to deliver food and medicine.

I want to recognize the efforts of the interim President, Juan Guaido, and his government. They are prioritizing the needs of the Venezuelan people by pursuing an agreement for vaccine deployment and by calling for the World Food Programme to be allowed to operate in the country.

I also want to applaud the Colombian Government, in particular President Ivan Duque, for his recent decision to grant temporary protective status to Venezuelans. In the face of one of the largest refugee crises in modern history, Colombia has shown tremendous generosity in providing safe haven for Venezuelans.

I urge other countries to follow Colombia's example and put an end to harmful policies like deporting Venezuelans back into harm's way.

I also urge Congress to urgently pass legislation to grant temporary protective status to Venezuelans fleeing the crisis. House Democrats did this in 2019, and I sincerely hope that all of my colleagues would join that effort this year to finally provide the relief that Venezuelans deserve.

Ultimately, know that an end to the humanitarian crisis requires a political solution. Ranking Member Green and I will introduce a

resolution in the coming days expressing our bipartisan commitment to supporting democratic aspirations of the Venezuelan people. We must pursue a solution to the crisis with the urgency it deserves.

I believe the U.S. must work more closely with our allies in Latin America and in Europe to advance a coordinated diplomatic strategy. We should also be much more assertive in calling out the regimes that are helping to keep Maduro in power, including Turkey, China, and Iran, and especially Cuba and Russia.

I am confident that President Biden, who has demonstrated a lifelong commitment to Latin America, will bring the international community together behind the goal of pursuing a peaceful transition that swiftly leads to free and fair elections.

I look forward to hearing from the experts with us today about what the U.S. Congress and the new administration can do, in close coordination with our allies, to help the Venezuelan people in reclaiming their democracy.

Thank you.

And I now turn to the ranking member for his opening statement.

Mr. GREEN. Thank you, Chairman Sires, for holding this hearing on the ongoing crisis in Venezuela. It is an honor to serve as the new ranking member of this subcommittee, and I look forward to working closely with you, Mr. Chairman, on the various issues.

And I do believe that when we met the other day, we realized you and I have a lot more overlap in the way we think than the traditional right/left side of the aisle. So I think we are going to have a great time standing up for the people in this hemisphere.

Today, we are discussing the political and humanitarian crisis caused by the illegitimate Maduro regime that has left a once prosperous country in political and economic shambles. The regime's socialist policies and endemic corruption have resulted in years of economic free fall, hyperinflation, and shortages in basic goods. Venezuela has a poverty rate of 96 percent that has driven almost 6 million of its citizens to seek a better life in other regions.

This migration crisis has strained the resources of neighboring countries in the region, including Colombia, our closest regional partner impacted by the Venezuelan crisis.

In addition to the economic crisis, the Maduro regime is among the world's worst violators of human rights, including recent accusations of crimes against humanity by the U.N.'s fact-finding mission.

According to local human rights group Foro Penal, there are currently close to 330 political prisoners in Venezuela, not including the illegal detention of six American Citgo executives held on false charges and without due process.

But the regime cannot carry out these atrocities alone. It has been bolstered by some of the world's most brutal regimes. The Communist regime in Cuba has successfully exported its oppressive system to Venezuela and directly supports the Maduro regime's oppressive tactics and human rights abuses.

Further, the Chinese Communist Party has provided billions in loans to the regime and was recently found to be sharing technology used to surveil political opposition figures.

The Maduro regime has also strengthened ties with Russia, which has provided military equipment, and Iran, which has joined Russia in helping the Maduro regime avoid U.S. oil sanctions.

The regime has also built ties with the region's non-state criminal actors, including FARC and ELN, U.S.-designated criminal groups who are allowed free rein in Venezuela to carry out narco-trafficking, illegal mining, and other illicit activities.

I applaud the Trump administration for leading international recognition of the interim President, Juan Guaido, and for holding the Maduro regime accountable by imposing tough and necessary sanctions on Venezuela's State oil company and individuals accused of corruption and human rights abuses.

Some claim that U.S. sanctions are to blame for the country's economic crisis. But I want to be very clear today: The Maduro regime alone is responsible for the crisis and for blocking humanitarian assistance from entering Venezuela. I applaud the European Union for recent sanctioning 19 Maduro regime officials, and I strongly condemn the Maduro regime's expulsion of their Ambassador in retaliation.

The United States has also led humanitarian efforts by donating more than \$1.2 billion in assistance to Venezuela and its neighbors in the region to address this humanitarian crisis. And while the United States is proud to lead, I urge the rest of the international community to join us in this effort.

I also applaud the brave efforts of the interim government and the democratic opposition, which has withstood violent oppression and has been illegally removed from the rightful post in the National Assembly through the Maduro regime's illegitimate elections. These brave men and women deserve our support as they seek freedom for the Venezuelan people.

Additionally, I was pleased to hear that the Biden Administration will continue to recognize President Guaido as the legitimate leader of Venezuela. And while I believe there is a role for multilateralism in addressing the crisis, the United States must continue to lead these efforts.

The Maduro regime's continued subversion of democratic institutions, human rights abuses, and criminal activities demonstrate their unwillingness to reform. I believe that dialog with this criminal regime cannot be possible without a clear demonstration that they are willing to negotiate in good faith.

The U.S. Congress and this committee will play a critical role in overseeing U.S. policy in Venezuela and ensuring that we have a comprehensive strategy that will lead to a peaceful democratic transition for the Venezuelan people.

The crisis in Venezuela does not only impact our neighbors in South America, it threatens United States national security, and we cannot afford to allow it to worsen.

I look forward to the testimonies of our witnesses today, and, Mr. Chairman, working with you.

And I yield back.

Mr. SIREs. Thank you very much Ranking Member Green.

I will now introduce Mr. Feliciano Reyna. He is the founder and executive president of Accion Solidaria, an organization that has worked since 1995 to combat the HIV-AIDS epidemic. Between

2005 and 2012, he also was president of Sinergia, the Venezuelan Association of Civil Society Organizations.

Mr. Reyna has coordinated relief efforts in Venezuela through Accion Solidaria since 2016 to address the country's humanitarian crisis. He is also a board member of the International Center for Not-for-Profit Law.

Mr. Reyna holds a bachelor's of architecture from Cornell University.

Mr. Reyna, welcome. We welcome you to the hearing.

We will then hear from Dr. Cynthia J. Arnson. She is the director of the Wilson Center's Latin American Program. A leading expert on Latin America and the Caribbean, she has testified numerous times before the House and the Senate and has written many publications on the region, particularly on U.S. policy toward Latin America.

She also served as a former foreign policy aide in Congress. Dr. Arnson holds a Ph.D. from Johns Hopkins University.

Dr. Arnson, thank you for joining us today.

Our third witness is Mr. Brian Fonseca. He is the director of the Jack D. Gordon Institute of Public Policy at Florida International University and an adjunct professor of politics and international relations.

Mr. Fonseca is an expert on U.S. national security and has written publications focused on Russian and Chinese engagement in Latin America and Russian-Venezuelan relations.

He holds a degree in international business and international relations from Florida International University and attended Sichuan University in Chengdu, China, and the National Defense University in Washington.

Mr. Fonseca, we welcome you to the hearing.

Finally, we will hear from Dr. Ryan Berg. He is a research fellow at the American Enterprise Institute. His research focuses on Latin America and specifically U.S. foreign policy, national security and development issues, and the region's transnational organized crime and narcotics trafficking.

Previously, he served as a research consultant at the World Bank, a Fulbright scholar in Brazil, and a visiting doctoral fellow at the Graduate Institute of International and Development Studies in Geneva, Switzerland.

Dr. Berg obtained a Ph.D. in political science from the University of Oxford.

Dr. Berg, thank you for joining us today.

I ask the witnesses to please limit your testimony to 5 minutes, and, without objection, your prepared statements will be made part of the record.

Mr. Reyna, you are recognized for your testimony.

STATEMENT OF MR. FELICIANO REYNA, FOUNDER AND EXECUTIVE PRESIDENT, ACCION SOLIDARIA

Mr. REYNA. Good morning, Chairman Sires. Thank you and distinguished members of the subcommittee. As a Venezuelan implementing a humanitarian action program in Venezuela, I really appreciate your invitation to address this subcommittee today.

Since late 2015, Venezuela's complex humanitarian emergency has caused deprivations of the people's rights to health, food, education, livelihoods, and access to basic services, such as water and electricity. Human insecurity has forced millions to flee, unable to cope with such daily struggles here at home.

Understanding the nature and broad dimension of the humanitarian emergency and its effects in widespread loss of life and human suffering continues to be necessary to properly address it, finding the means to work through the barriers imposed by the political conflict which have been an obstacle to scaling up much needed humanitarian support.

In this challenging environment, over 120 national and international NGO's have partnered with the U.N. system and many others are coordinating independently to implement humanitarian programs all over the country. Venezuelan NGO's not only were the very first responders in early 2016, but have continued building capacities to provide a progressively increasing humanitarian response.

Despite fear of politicization of aid delivery among donor countries, the United States continues to be the largest funder of the humanitarian response, with over 40 percent for 2020. However, even though Venezuela has the world's fourth-largest food insecure population, it had the least-financed 2020 humanitarian response plan among 34 countries in need.

Despite having the world's second-largest migrant population, Venezuela's appeal for the regional migration response in 2020 was \$1.4 billion while Syria's was \$6 billion.

Regardless of challenges, there are opportunities for the United States to scale up humanitarian support.

One, promoting multilateral engagement among donor countries to address both the humanitarian emergency in Venezuela and the migrant response in the region.

Two, increasing funding for local Venezuelan humanitarian and community-based organizations, allowing for longer-term funding, at least 2 years at a time, strengthening local capacities for future sustained development.

Three, continuing to support initiatives, such as the agreement reached between the Humanitarian Aid Commission of the 2015 National Assembly and the Venezuelan Health Department, as well as the COVAX initiative and the Humanitarian Response Plan 2021.

Four, engaging multilaterally and creatively with key actors within the Maduro government to open the humanitarian space, expand humanitarian action, and protect humanitarian workers and organizations serving people in need.

Five, revising general and secondary sanctions which have an impact on the Venezuelan population already severely affected by the humanitarian emergency. Licenses for oil for diesel swaps, for example, should be extended again.

Six, adopting the TPS for Venezuelans, joining the recent approval by the Colombian Government.

These humane and rights-based initiatives could also become a framework for a coordinated regional response.

Distinguished members of the subcommittee, humanitarian responses save lives and alleviate suffering, adhering to the “do no harm” principle. Finding a long-lasting, nonviolent, democratic solution to Venezuela’s political conflict will take time. Without such a solution, the humanitarian emergency will continue to take its toll on the Venezuelan people, forcing many more to flee.

However, we all have a moral obligation, as Chairman Sires said, to save lives today, to alleviate suffering today. We cannot wait to do so once the political conflict is solved, for it will not be solved for a while, not for the millions in need inside Venezuela, not for those forced to migrate who also suffer along the way, not for the region, which will also continue to be impacted.

To save lives and alleviate suffering today and to continue contributing to a long-lasting, nonviolent, democratic solution to Venezuela’s political conflict demands multilateral thinking and action by the international political, diplomatic, human rights, and humanitarian community, as well as engagement with those who control power today in Venezuela.

Together with Venezuelan political party actors, multilateral thinking and action must include Venezuelan civil society organizations on the ground which have proven to have the capacities, commitment, courage to generate solutions to the humanitarian emergency, create opportunities for sustained development, and continue advocating for human rights despite threats and risks.

Thank you.

[The prepared statement of Mr. Reyna follows:]

Feliciano Reyna
 Acción Solidaria
 Subcommittee on the Western Hemisphere, Civilian Security, Migration, and International
 Economic Policy.
 March 3, 2021
 A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security Challenges
 Facing the Biden Administration.

How can the United States Government better address Venezuela’s humanitarian crisis.

1. Since late 2015, after years of progressive dismantling of the rule of law, lack of an independent justice system, great corruption and political conflict, a devastating fall in Venezuela’s economic capacities and State’s inability to protect social, cultural and environmental rights, Venezuelans face what is internationally known as a “**Complex Humanitarian Emergency**” (CHE), a man-made disaster of great dimensions. This emergency has caused deprivations on the rights to health, food, education, livelihoods, and access to basic services, such as water and electricity. In sum, it is a situation of widespread human insecurity, which also brought millions to flee in order to cope with such daily struggles.
2. To understand the nature and broad dimension of the humanitarian emergency and its effects in widespread loss of life and human suffering, continues to be necessary to properly address it and to find the means to work through the barriers imposed by the political conflict, which have been an obstacle to scale up the much-needed humanitarian support by the United States and other key actors in the international cooperation arena.
3. In spite of the challenging environment, we see opportunities for the United States to scale up humanitarian support for the Venezuelan people in various areas, including:
 - a. to promote multilateral engagement among donor countries to address both the humanitarian emergency in Venezuela and the migrant and refugee response in the region;
 - b. to increase funding for local Venezuelan humanitarian and community-based organizations, allowing for longer-term programs, at least 2 years, which can lead to empowerment of local communities and sustained development once humanitarian needs are properly addressed;
 - c. to continue supporting initiatives such as the agreement reached between the Humanitarian Aid Commission of the 2015 National Assembly and the Venezuelan Health Department, with PAHO, the COVAX initiative, as well as the Humanitarian Response Plan 2021;
 - d. to revise general and secondary sanctions which have an impact on the Venezuelan population, already severely affected by the humanitarian emergency: one such revision of immediate impact would be the extension of licenses for oil for diesel swaps;
 - e. to engage creatively with key actors within the Maduro Government to contribute to open the humanitarian space, expand humanitarian action programs, and protect humanitarian workers and organizations serving people in need.

Needs on the Ground.

4. According to the UN Office for the Coordination of Humanitarian Affairs, OCHA,¹:
“The humanitarian situation in Venezuela continues following six consecutive years of economic contraction and other trends and events such as inflation coupled with

¹ https://reliefweb.int/sites/reliefweb.int/files/resources/venezuela_summary_hrp_2020_en_vf.pdf

episodes of hyperinflation, political, social and institutional tensions, situations of localized violence, and the recent impact of the global COVID-19 pandemic.

This situation has an impact on the physical and mental well-being, living conditions and protection environment of the 7 million people estimated to have humanitarian needs in 2019. The population, and especially the most vulnerable people, have had to adopt coping strategies that include moving to alternative locations both internally and outside the country.

In 2020, the humanitarian response prioritizes the critical problems associated with health issues including communicable and non-communicable diseases, the risks associated with the spread of COVID-19, and problems related to mental health and sexual and reproductive health, with a focus on maternal and child health. Malnutrition and food insecurity are also a focus, as one of the main impacts of the situation has been the reduction of people's access to nutritious food and a balanced diet, mainly due to a loss of households' purchasing power, but also to limitations in the availability of some products.

5. Unfortunately, the number of people in need expressed in the UN Humanitarian Response Plan, HRP, 2020, has been kept at 7 million people since 2019, given the lack of recognition of sustained increase by the Maduro Government, as the humanitarian emergency's impact continues to affect a vast majority of the population.
6. In developing the HRP, a footnote was included to try to explain why there was no increase, even though estimates by the World Food Program, WFP, indicated that 9.3 million people were acutely food insecure, already by September 2019. The footnote states that, for the 2020 HRP: "Due to various positions on the methodology for aggregating multiple needs indicators from various sources of data, including official and non-official data, the 2019 estimate for the number of people in need is used."

Statistics and Broader Trends.

7. Given the need to produce humanitarian data independently, not subjected to Government or other pressures, over 300 Venezuelan researchers, academics, journalists, unions, guilds, networks, coalitions, development, humanitarian, and human rights organizations, have joined in gathering information in a public platform called HumVenezuela². The purpose of HumVenezuela is to provide relevant information for the measurement, review, and comprehensive assessment of the Complex Humanitarian Emergency, based on evidence and a culture of open communication that contributes to decision-making.
8. The following are key findings by this collaborative effort, which express the severity and intensity of the CHE's effects on the Venezuelan people. It is important to note that these effects do not yet include those of the Sars-CoV-2 pandemic, which are currently being processed, but which undoubtedly will have exacerbated them, deepening the direness of the situation in all of the areas described.

Living Conditions

The Complex Humanitarian Emergency (CHE) has seriously affected all areas of daily life that are essential to ensure people's dignity. The emergency deepens the impacts upon the water and sanitation, food and nutrition, education, and health sectors. Decision-making must assess these situations for the implementation of an adequate humanitarian response consistent with the needs of the context.

² <https://humvenezuela.com/en/community/>

Poverty

During the last 6 years, the Gross Domestic Product experienced a cumulative contraction of 65% (IMF, 2019). The real salary fell from 266.50 USD per month to 3.40 USD per month in the last decade, and the loss of purchasing power affected 67% of the population (ENCOVI 2019/2020)³. In consequence, in 2019, 26.7 million people (94%) lived in poverty with insufficient income to cover a basic basket of goods and services; at least 18.4 million (67%) fell into a condition of multidimensional poverty, in which they face multiple deficiencies in health, education and standard of living; and 12.8 million (67%) of them fell into extreme poverty between 2016 and 2019 (ENCOVI 2019/2020).

Utilities

90% of the population had poor electricity service (ENCOVI 2019/2020). During 2019, the country suffered at least 5 nationwide general blackouts in the electricity supply for several days. The 2019 World Food Program study found that the supply of domestic gas, especially necessary for cooking, was irregular for 72% of the population⁴. At least 13.8 million people received a gas container or “cylinder” every two months or did not receive it at all in their community (OVSP)⁵, generating the need to resort to the use of unconventional sources of fuel and the felling of trees.

Mobility, communications, and information

The deterioration of the public and private vehicle fleet and the shortage of fuel led to severe mobility restrictions for 9 million people due to the lack of public transport, and approximately 190 thousand children and adolescents could not attend school regularly (ENCOVI 2019/2020). In addition to restricting the free movement of people, the gasoline shortage also affected supply chains and supply of basic goods and services throughout the country. In a context of reduced mobility, the loss of connection for communication purposes increased the probability of being incommunicado. Between 2016 and 2019, mobile phone service subscriptions decreased by 52% (CONATEL) and 17.9 million people had communication problems due to failures or lack of mobile telephony.

Environment

Bolivar and Amazonas were the states most affected by the deterioration of environmental conditions caused by gold mining. According to the limited existing data, related to the behavior of mining activity and their spatial locations, currently, the 10 main rivers of these states are contaminated by mercury. The exploitation of the Orinoco Mining Arc accentuated the levels of inequality in the region and the vulnerability of people in these locations, especially women, who are exposed to serious situations of violence. At the environmental level, the loss of tropical humid forests in the Venezuelan territory during the 2016-2019 period increased around 190% (54.4 kha) in comparison to the 2002-2015 period (18.7 kha) (Global Forest Watch).

Food Security

Due to the severe economic precariousness of the population and food availability deficits, 68% of families did not have access to enough food at home, and between 34% and 49% of adults had to deprive themselves of food due to its cost or scarcity, according to data provided by ENCOVI 2019/2020. In 2020, the WFP published the results of a food security study carried out in Venezuela between July and September 2019, which found that 9.3 million people (32.6%) were moderately or severely food insecure (7 million were moderately insecure and 2.3 million severely). Both categories define the condition of people for whom it is not possible to cover the food requirements adequately and, in the severe cases, people can go full days without eating food.

³ <https://www.proyectoencovi.com/informe-interactivo-2019>

⁴ <https://reliefweb.int/report/venezuela-bolivarian-republic/wfp-venezuela-food-security-assessment-main-findings-data>

⁵ http://www.observatorioovsp.org/wp-content/uploads/Boletin_No_8_febrero_2020_6_.pdf

Nutrition

FAO updates reported the number of undernourished people in Venezuela at 9.1 million (31.9%). These circumstances of social and economic disadvantages were manifested in 30% of chronic malnutrition in children under 5 years of age, expressed in growth retardation measured by the height-for-age indicator. Likewise, the incremental variations of nutritional deficits observed in evaluations, studies, and projections from 2016 and 2017 to 2019, show that global acute malnutrition (GAM) could have reached 23.9% in children under 5 years of age at the national level, impairing in higher proportion boys and girls between 0 and 2 years old. Malnutrition in pregnant women also exceeded 50%, giving evidence that living in food insecurity particularly affects the most vulnerable groups, including the life, growth, and development of the youngest children.

Impacts on Health.

Venezuela's drop in sanitary capacities has generated a triple impact on the health of the population: a high prevalence of diseases, with a greater weight on chronic ones, without diagnosis or not diagnosed in time due to the loss of services, nor treated adequately due to severe exhaustion or lack of treatments; the reappearance of eradicated diseases such as malaria; and increasing mortality associated with physical and operational deterioration and lack of sanitation in health centers. Under these difficult circumstances, at least 18.4 million people with various diseases are highly vulnerable. 7.9 million people do not have guaranteed care in available public health centers, which puts their lives and physical integrity at risk.

Health system

23.8 million people depend on the public health system to meet their health needs. Fragmentation, corruption, and underfunding, led to the public health system falling into a crisis with the loss of 40% of service delivery capabilities, between 2012 and 2016. Between 2017 and 2019, the crisis turned into collapse with the closure or inoperability of 80% of primary care, 60% of specialized outpatient care, and 69.5% of hospital care (Provea, 2019; Médicos por la Salud, 2019).

Health services

The collapse of the public health system directly affects 18.4 million people (65% of the population). Of this total number, 7.9 million people have serious health conditions (24.4% chronic and 11.4% acute) without guaranteed care in the system due to a deficit of 46.7% of beds and 80.8% of beds in intensive care units.

Care in public hospitals

70% of public hospitals do not have the means for cardiovascular diagnosis and therapy; 57% of medical personnel and 62% of trained nurses left their jobs (Venezuelan Medical Federation, Nursing Guilds). As of March 2020, 55% of public hospitals did not have power generators and 63% had frequent power outages; 70% had no regular water supply (OCHA).

Medicines

Between 2014 and 2019, public and private imports of medicines fell 96% and national production by 89.9%. This severe contraction in the availability of medicines reduced distribution capacities by 83%, causing an average shortage of 71.6% in medicines for acute diseases (Respiratory Infections and Diarrhea) and 60% for chronic diseases (Diabetes and Hypertension) until December 2019 (ConviteAC).

Women's and children's health

Due to the loss or deterioration of obstetric care in public health centers, 427,000 pregnant women (57%) are at risk; of these, 23% are pregnant teenagers. The risk increases for newborns, 79% of whom are more vulnerable to the severe deficiencies in Venezuela's mother and child services.

Epidemics

In these last years of the emergency, 20.2 million people (71%) have been exposed to diseases that have expanded or re-emerged as epidemics in most Venezuelan states due to the weakening of public health and vaccination programs and the internal displacement of the population, incorporated into illegal mining or other informal activities due to the severe economic deterioration. Among these diseases, Malaria stands out, present in 20 of the 24 Venezuelan states.

Impacts of the CHE on Basic Education

The CHE has had a major impact on the right to education, affecting 8.8 million (94.6%) children and adolescents out of a total population of 9.3 million between 0 and 17 years of age. As of March 2020, 6.5 million (69.5%) of children and adolescents attended severely deteriorated schools; 4.9 million (52.7%) did not have access to adequate food in school; and 2.7 million (29.3%) were at risk of dropping out due to absenteeism or irregular attendance. More than 1 million children and adolescents (10.9%) dropped out of school and 960,000 (10.3%) infants between the ages of 0 and 2 did not enroll in school, requiring urgent protection from the education system due to the high levels of poverty in their homes.

Education system

Of the 9.3 million of children and adolescents in Venezuela who should enjoy the right to education, 5.1 million (54.5%) are at risk of dropping out of the school. The main cause of absenteeism is the lack of basic services, running water, electricity, and sanitation, as well as the shortage of supplies, uniforms, and food, which forces parents to keep their children at home. Special significance is found in 960,000 children from 0 to 2 years of age who, since the disappearance of the day care programs, are outside the education system and require support during the maternal stage, for their physical, cognitive, and social development.

Learning environment

4.2 million (61%) of school children do not have qualified teachers, and for 3.4 million (49.2%) of children there are insufficient teachers. In addition, 5.2 million (77%) attend school without complete and adequate teaching materials; 1.7 million (25.4%) have suffered severe interruptions of the activities scheduled in the school calendar. The dysfunctional nature of the learning environment has been aggravated by the loss of 276,992 (50.0%) teachers in four years for economic and political reasons.

School infrastructure and care

6.3 million (92.0%) of children do not have health or school insurance programs, school transportation, uniforms, and school supplies. As for schools, only 1,471 (5.0%) have acceptable physical conditions and only 5,225 (17.8%) have continuous water, sanitation, and electricity service.

Protection

Migration has left 657,353 (9.4%) children without the accompaniment of one or both parents, in the care of a close relative or an older sibling. Violence is found in and around schools, affecting 2.4 million (35.1%) of children who have been victims of violent acts or events. The situation of 769,354 (44.6%) school-age children in the border states who have been recruited by irregular or illegal groups is noteworthy.

Refugee crisis and impact on the region

9. This statement by the platform “Response for Venezuelans” (R4V) Response Plan 2021⁶ expresses the gravity and potential further impact of the Venezuelan refugee crisis: “[T]he already precarious situation of many refugees and migrants from Venezuela and affected host communities is reaching alarming levels, as national and local capacities have been dangerously strained due to

⁶ <https://mrp.r4v.info/>

the continued impact of COVID-19, threatening the overall social fabric in the 17 countries covered by the Regional Refugee and Migrant Response Plan. In a region characterized by high levels of informal labor, the implementation of measures aiming to curb the spread of COVID-19 (including border closures, lockdowns, curfews, and other quarantine measures) has had a disproportionately grave impact on refugees and migrants. Without savings or alternative social safety nets, the loss of employment has resulted in many being unable to cover basic needs or access vital services”.

10. With already over 5.4 million Venezuelan refugees and migrants in the region, and expectations that there may be a significant increase in the coming months given the still precarious living conditions of the vast majority inside Venezuela, it seems logical and imperative to continue with multilateral efforts to provide a coordinated regional migrant and refugee response, with sufficient funding, but also to aim at engaging with key actors inside Venezuela, including Maduro Government officials, to aim at improving those living conditions through a coordinated multilateral response inside Venezuela, in order to prevent further waves of migrants and refugees.

11. The recent approval by the Colombian Government of a TPS for over 1.7 million of Venezuelan migrants is an extraordinary step, a measure which we encourage the United States Congress also to adopt as soon as possible. These humane and rights-based initiatives could also become a framework for a coordinated regional response, to prevent individual country measures which in some cases have gravely affected Venezuelan migrants and promoted xenophobia.

Challenges to deliver aid.

12. In order to deliver sufficient aid to respond to the humanitarian emergency, it is necessary to admit that reaching a negotiated solution to the Venezuelan political conflict, which stands in the way of scaling up aid, is going to take time.

13. Funding HRP’s in other challenging contexts, including those of countries facing armed conflict, has been possible in much larger numbers. Why has this not been the case in Venezuela? According to OCHA’s Financial Tracking Service⁷, even though Venezuela has the world’s fourth largest food-insecure population, it stands last at number 34 as having the least financed 2020 Humanitarian Response Plan, having reached just 21.4% of the 762 million USD appeal. Regarding migration, despite having the second largest migrant and refugee population, Venezuela’s appeal for the regional migration response was 1.4 billion USD, while Syria’s was 6 billion. As the title of a Brookings article written by Dany Bahar and Maegan Dooley published on February 26 stated regarding this issue: “Venezuelan refugees and their receiving communities need funding, not sympathy”⁸.

14. Another important issue having to do with challenges relates to types of sanctions which instead of the desired purpose of bringing political actors to the negotiating table to find a solution to Venezuela’s political conflict, fail to do so and exacerbate the effects of the humanitarian emergency on the population. One of those was the lifting of exceptions to swap Venezuelan oil for diesel, in November 2020. According to the Citizen Council for Fuel (Consecom), an instance created by the Anticorruption Coalition and the Lara State Human Rights Network, “Venezuela begins 2021 with a severe shortage of diesel, the fuel used to transport heavy cargo, foodstuffs, for public transportation and thermoelectric plants. Essential groups report diesel distribution failures since the end of 2020. For the agricultural sector this has brought paralyses on the field, losses of crops, reduction of plantings, the return to animal traction and the increase in freight rates and prices of food, in a context of deepening of the Complex Humanitarian Emergency due to the

⁷ <https://fts.unocha.org/appeals/928/summary>

⁸ <https://www.brookings.edu/blog/up-front/2021/02/26/venezuelan-refugees-and-their-receiving-communities-need-funding-not-sympathy/>

COVID-19 pandemic. According to estimates by the consulting firm Gas Energy Latin America (GELA), inventories of this fuel could run out in March 2021.”⁹

Venezuelan Government, UN and humanitarian NGO’s Response.

15. The Maduro Government has been coordinating its own reception and distribution of aid, through partnerships with China, Russia, Turkey, and also authorized in 2019 the scaling-up of the Red Cross humanitarian program, through the International Federation and the Venezuelan Red Cross.

16. In mid-2019, the Maduro Government allowed for the formal deployment of the UN humanitarian architecture in Venezuela. Since then, a Humanitarian Coordinator was designated, the Office for the Coordination of Humanitarian Affairs brought personnel to Venezuela and started coordinating the response, including the establishment of the Humanitarian Country Team, the Interagency Coordination and the Cluster System, with 8 of them activated: Health; Food Security and Livelihoods; Water, Hygiene and Sanitation (WASH); Education; Nutrition; Shelter, Energy and Non-food Items; Coordination and Logistics; and Protection. As well, besides the coordination office in Caracas, OCHA has established three other regional offices.

17. Over 120 national and international NGO’s have partnered with the UN System to implement humanitarian programs. Many others are also implementing programs independently and coordinating their response through their own partnerships or humanitarian coalitions.

18. Challenges and risks remain an issue of concern: among them “logistical constraints due to lack of fuel and the deterioration in basic infrastructure and public services, the lack of trust or reticence regarding humanitarian action in some areas, and the localized presence of irregular armed groups. Administrative constraints also affect the entry of organizations, personnel and supplies, especially for international NGO’s, and limit operations and movements throughout the country” (OCHA).

19. More serious events have occurred since September 2019, in which offices of humanitarian organizations have been raided and workers arbitrarily arrested. The last one included the arbitrary arrest on January 12th and incarceration for almost a month of 5 workers of a UN implementing partner organization called *Azul Positivo*. The 5 were released on probation on February 10th and are still charged with illicit activities without any grounds for such charges.

20. In spite of risks, Venezuelan NGO’s not only were the very first responders in early 2016, but have continued organizing and building capacities to provide a progressively increasing response. The National Platform for Humanitarian Action (PAHNAL, in Spanish) was created in early 2020 and includes almost 30 national NGO’s and networks. Together, these organizations sum up to 1,000 facilities to deliver aid in various forms, from medicines and medical supplies to food and nutritional programs, capacity-building in WASH, education, and protection.

21. A small group of organizations are working on creating a mechanism with Venezuela’s Foreign Affairs Ministry, as the State institution with a mandate on international humanitarian cooperation, to coordinate the local humanitarian response and to protect humanitarian workers and organizations, given its international responsibilities to provide such protection.

International Community Response.

22. Even though the international donor community has been providing support for the humanitarian response within Venezuela, both through the UN System as well as through direct engagement with humanitarian local and international NGO’s, there seems to be a difficulty to provide such support with confidence: the fear of politicization of aid delivery is often mentioned as a concern, for improper use of humanitarian aid for political gains or manipulation.

⁹ <https://coalicionalanticorruccion.com/joomla/index.php/en/noticias-coalicion/item/642-lara-consecom-advierte-que-la-escasez-de-diesel-pone-en-riesgo-actividades-esenciales>

23. Despite such concerns, and the fact that Venezuela's humanitarian response is largely underfunded, the United States and the European Commission's Humanitarian Aid and Civil Protection Department (ECHO) have been major supporters. For 2020, the US provided over 40% of funds, while ECHO provided 18%. In smaller amounts, the UK, Sweden, Germany, Norway, Switzerland, Japan, Canada, Spain, South Korea, and Finland, have also contributed to the humanitarian response.

24. As well, donor meetings take place regularly and conferences have also served to analyze opportunities for support. However, perhaps for political concerns, there has been more resolve to provide funding for the regional response than for the response inside Venezuela.

25. There is still one objective pending, which bringing the Maduro Government to allow for the World Food Program to establish operations in Venezuela, with the wide array of its cooperation programs and capacities. A multilateral approach could help in creating the conditions for such authorization, with sufficient funding, contributing even to use the WFP's logistical capacities to support the Sars-CoV-2 vaccination process.

Recommendations to support the Venezuelan people and help reduce poverty, food insecurity and economic collapse.

26. Humanitarian responses are implemented to save lives, alleviate suffering, and must adhere to the "do no harm" principle.

27. Finding a long-lasting, non-violent, democratic solution to Venezuela's political conflict will take time.

28. Without such solution, the humanitarian emergency will continue to take its toll on the Venezuelan people and to force many more to flee.

29. We all have a moral obligation to save lives today, to alleviate suffering today, we cannot wait to do so once the political conflict is solved -for it will not be solved for a while-, not for the millions in need inside Venezuela, not for those forced to migrate who also suffer along the way, not for the region, which will also continue to be impacted.

30. To save lives and alleviate suffering today, and to continue contributing to a long-lasting, non-violent democratic solution to Venezuela's political conflict, demands multilateral thinking and action by the international political, diplomatic, human rights and humanitarian community, as well as engagement with those who control power today in Venezuela.

31. Multilateral thinking and action must include not only Venezuelan political actors, but also Venezuelan civil society, organizations on the ground, which have proven to have the capacities, commitment, courage, to generate solutions to the humanitarian emergency, and create opportunities for sustained development, as well as to promote and defend human rights, despite threats and risks.

Mr. SIREs. Thank you, Mr. Reyna.
 Now we will hear from Dr. Arnson.
 I now turn to you for your testimony.

**STATEMENT OF DR. CYNTHIA J. ARNSON, DIRECTOR, THE
 WILSON CENTER LATIN AMERICA PROGRAM**

Dr. ARNSON. [inaudible] And notably—oops. I am—am I muted? Uh-oh. Am I muted? No, I am not muted. Sorry. Okay.

The prospects of a democratic transition in Venezuela have worsened. The Armed Forces, an essential pillar of regime survival, have remained united despite multiple efforts inside and outside the country to foster divisions. Maduro's repressive apparatus remains fully intact, with murders carried out with impunity in poor neighborhoods, political prisoners tortured, raids and attacks on nongovernmental organizations.

As others have pointed out, this growing authoritarianism has gone hand in hand with Venezuela's economic collapse. Because of that collapse, others have made reference to the refugee flows. The United Nations estimates that another 3 million Venezuelan migrants and refugees will leave the country in 2021.

Countries in South America and the Caribbean are simply incapable of absorbing such large additional refugee populations and the threats to social cohesion and political stability should not be taken lightly.

In approaching the Venezuelan crisis, the U.S. Government should establish both long-term and short-term goals.

The long-term goal is the one that we all know and has been longstanding in U.S. policy, which is the democratization of Venezuela's political life via free, fair, and verifiable elections.

So the question is, what are the short-term measures that can be adopted that could help lead to that outcome?

First, now that the scenarios aimed at the collapse of the regime have been tried and have failed, it is important to achieve broad political agreements that offer some guarantees to the regime and its supporters in exchange for concessions. This constitutes a more fruitful strategy for stabilizing and democratizing Venezuela.

As Feliciano Reyna was pointing out, humanitarian agreements can serve as stepping stones toward a more comprehensive settlement. Partial agreements build trust among the parties, and if they are successful they build faith among the population at large in the possibility of negotiated outcomes.

And as we have just heard, the discussions in Venezuela over ways for access to the COVID-19 vaccines through COVAX to carry out a national vaccination campaign are a hopeful step.

The U.S. Government should not lead these efforts at partial agreements, but the Biden Administration should recognize that the sectoral, the secondary, the individual sanctions, the criminal indictments, give the United States tremendous leverage in Venezuela.

Prudently targeted sanctions relief in exchange for verifiable concessions, such as the release of political prisoners, an easing of the restrictions on humanitarian aid, the reform of the National Electoral Council, should be carefully considered as part of a broad

strategy coordinated with Venezuelan civil society and other actors in the international community.

In any negotiation, creating incentives, not just wielding sticks, is essential to bringing the parties together.

Although U.S. sanctions policy allows for humanitarian exemptions, as the recent GAO report pointed out, these may not be functioning well enough to provide enough maneuvering space for humanitarian actors on the ground. Those humanitarian exemptions should be revised in coordination with Venezuelan civil society actors.

The Biden Administration should also consult with a broad range not only of Venezuelan actors, but international relief organizations to clear up remaining obstacles.

As others have mentioned, the Biden Administration's oft-cited preference for multilateralism in foreign policy is an asset in approaching Venezuela. Multiple international partners of the United States have worked to maintain channels of communication with all sides. These include the European Union, the International Contact Group, the Lima Group, the Governments of Norway and Sweden.

All of these countries and organizations have, as a common denominator, their search for a peaceful, democratic solution to the Venezuelan crisis.

And as my colleague Brian Fonseca will shortly indicate, we should not harbor illusions that the only important international actors in Venezuela are Western democracies seeking a democratic outcome. Russia, China, Cuba, India, Turkey, and Iran have played a variety of roles in sustaining the Maduro regime. But we should keep in mind that their interests are diverse, as is their relative importance to regime survival.

Finally, and to reiterate the point about refugees, the United States has done a huge amount to assist South American and Caribbean countries hosting Venezuelan refugees, but much more needs to be done. In 2020, the United Nations Refugee and Migrant Response Plan received less than half of the international funding that it requested and identified to meet the needs of Venezuelan migrants and refugees across the region.

And special attention, as Chairman Sires pointed out, should be given to Colombia, which hosts more Venezuelan refugees than any country in the world and which just extended temporary protective status for 10 years to the almost 2 million refugees within its borders.

The United States can and must play an ongoing leading role in mobilizing resources that are sufficient for Colombia, as well as other frontline nations that are directly impacted by Venezuela's ongoing meltdown.

Thank you very much.

[The prepared statement of Dr. Arnson follows:]



Testimony of Dr. Cynthia J. Amson

Director, Latin American Program, Woodrow Wilson International Center for Scholars

Before the House Committee on Foreign Affairs

Subcommittee on the Western Hemisphere, Civilian Security, Migration,
and International Economic Policy

“A Way Forward for Venezuela: The Humanitarian, Diplomatic,
and National Security Challenges Facing the Biden Administration”

March 3, 2021

Chairman Sires, Ranking Member Green, and Distinguished Members of the Subcommittee:

Thank you for this opportunity to address the Subcommittee on Venezuela and the challenges it poses to U.S. foreign policy.

The last two years of Venezuela’s political life are bracketed, on the one hand, by the emergence of Juan Guaidó as interim president in January 2019, and on the other, by the holding of elections in December 2020 for a new National Assembly. Over this two-year period, the prospects for a democratic transition have worsened. The armed forces, the essential pillar of regime survival, have remained united despite domestic and international efforts to foster divisions. The Nicolás Maduro regime’s repressive apparatus remains fully intact, with murders carried out with impunity in poor neighborhoods, the torture of political prisoners, and raids and attacks on non-governmental organizations. While Maduro has become deeply unpopular, Juan Guaidó’s support inside Venezuela has also plummeted amidst growing deprivation, hardship, and the opposition’s inability to effect change.

The December 6, 2020, National Assembly elections mark a new low point in Venezuela’s authoritarian consolidation. Via these restricted, illegitimate elections, Maduro and the ruling United Venezuelan Socialist Party (PSUV) engineered a takeover of the one remaining political institution controlled by the opposition since 2015. Notably, Juan Guaidó emerged from that 2015 Assembly, which has now extended its mandate for an additional year. The move is largely symbolic; as with Guaidó himself, democratic legitimacy and international support has not been translated into real power over any aspect of national life.

Maduro’s growing authoritarianism has gone hand-in-hand with Venezuela’s economic collapse. According to the Caracas-based research firm, Ecoanalítica, the Venezuelan economy has contracted by 80 percent since Maduro took office in 2013. Two major universities in Venezuela

concluded last year that some 96 percent of households live in poverty. The country's health infrastructure, long before COVID-19, has also collapsed, leaving clinics and hospitals without basic medicine, running water, or reliable electricity. According to Venezuela's Society of Agronomist Engineers (SVIA), agricultural production plummeted 30 percent in 2020, beset by shortages in foreign exchange and access to diesel; and the United Nations estimates that some 7 million Venezuelans are in need of humanitarian assistance or protection, a conservative estimate that local charities insist is much higher.¹ Such widespread suffering, rather than motivating collective anti-regime action, has had a demobilizing effect on organized protest.

Over the last four years, U.S. policy has doubled-down on comprehensive financial, oil sector, and secondary sanctions. These have served to cripple an economy dependent on oil for over 90 percent of export earnings and already devastated by mismanagement, corruption, and lack of investment in key infrastructure.² Sanctions are an instrument of coercive diplomacy used to punish hostile regimes for their internal and international actions. In the Venezuelan case, the logic of sanctions appears to have been not only to punish the Maduro regime, but also to bring about its collapse or, at a minimum, make it 'cry uncle' and cede to free elections.

However one frames the objective of sanctions, they have failed to produce the desired outcome. Evidence suggests that sanctions have served as an element of regime cohesion, allowing Maduro to deflect responsibility for the economy's collapse onto external actors. Sanctions have also increased the relative importance to the regime of the illegal economy, including but not limited to the contraband of gold and the transshipment of narcotics, generating billions of dollars in revenue for the regime and its supporters.³ In addition, secondary sanctions against foreign oil companies such as Italy's ENI, Spain's Repsol, and India's Reliance, which were previously swapping Venezuelan oil for diesel and gasoline, have had the unintended—but wholly predictable—effect of strengthening Venezuela's relationship with whatever friends it can find. Notably, Iran is now an essential source of fuel for Venezuela's crippled transportation sector.

There are no easy answers for how to approach the Venezuelan crisis, or what policy changes could help create the conditions for its democratic, peaceful settlement. But the intractability of the crisis should not be a justification for inaction on the part of the Biden administration. Indeed, the depth of the Venezuelan crisis and its impact on neighboring countries warrant urgent attention. By the end of 2021, the United Nations projects that the population of Venezuelan refugees will swell to 8.1 million, almost three million more than exist today. The vast majority of these migrants and refugees have fled to countries of South America and the Caribbean, nations already struggling with their own COVID-related economic crises, characterized by rising poverty and unemployment and steep contractions in GDP. Venezuela's neighbors, particularly Colombia, Peru, and islands of the Caribbean, are simply incapable of

¹ An assessment by the World Food Program in 2020 found that severe or moderate food insecurity affected over 9 million people in Venezuela.

² According to the Economist Intelligence Unit, oil production in 2020 was equivalent to levels not seen since 1943.

³ See the presentations by Asdrúbal Oliveros and Bram Ebus, "The Size and Importance of Venezuela's Illegal Economies," Latin American Program, Woodrow Wilson Center, January 14, 2020.

absorbing such large additional refugee populations. The threat to social cohesion and political stability should not be taken lightly, and xenophobia among host populations is on the rise.

In approaching the Venezuelan crisis, U.S. policy should establish both short- and long-term goals. The long-term goal should remain the democratization of Venezuela's political life via free, fair, and verifiable elections. What are short-term measures that could help lead to that outcome?

- 1) Based on experience elsewhere, there is ample reason to believe that partial, humanitarian agreements can serve as stepping stones toward more comprehensive accords. Partial agreements build trust among the parties and, if successful, build faith among the population at large in the possibility of negotiated outcomes. The political and humanitarian discussions must remain separate: unlike what has happened in the past, the issue of humanitarian aid must be strictly depoliticized, not deployed as part of a strategy to induce cracks in the regime or bolster the bona fides of the opposition. Current discussions in Venezuela over ways to access COVID-19 vaccines through COVAX to facilitate and carry out a national vaccination campaign constitute a hopeful step. Civil society organizations (including the Church, the private sector, universities, and a variety of non-governmental organizations) should continue efforts to come together around a broader humanitarian and human rights agenda that alleviates the suffering of the Venezuelan people and is acceptable to all sides.
- 2) While the U.S. government should not lead this effort at partial agreements, the Biden administration should recognize that existing sectoral, secondary, and individual sanctions and criminal indictments give the United States tremendous leverage in Venezuela. Prudently-targeted sanctions relief in exchange for verifiable concessions—the release of political prisoners, an easing of the restrictions on humanitarian aid, the reform of the National Electoral Council—should be carefully considered as part of a broad strategy coordinated with Venezuelan civil society and other actors in the international community. Creating positive incentives, not just wielding “sticks,” is essential to bringing the government to the table.

One example of sanctions relief could involve permitting greater flexibility in Venezuela's ability to import gasoline in exchange for the government's allowing the World Food Program to operate with neutrality inside the country. An additional reason that sanctions convey leverage is that—despite the Maduro government's effort to dollarize parts of the economy, lift some foreign exchange controls, and sell some state assets—the economy remains the Achilles heel of the regime. Maduro's external allies are incapable of (in the case of Russia, Turkey, Cuba, and Iran) and unwilling to (in the case of China) provide the wherewithal for anything more than baseline survival amidst the ongoing deterioration of economic fundamentals.

- 3) Although existing U.S. sanctions policy allows for humanitarian exemptions, these may not be functioning well enough to provide enough maneuvering space for humanitarian

actors on the ground. According to a recent GAO report, “despite U.S. agency efforts to mitigate the negative humanitarian consequences of sanctions, humanitarian organizations assisting Venezuelans are still experiencing some challenges delivering assistance, including delays in processing financial transactions and transfers.”⁴ The GAO indicated that U.S. agencies were aware of these problems and had “taken steps to address them,” but additional steps should be taken to ensure that U.S. sanctions do not compromise, delay, or inhibit support for humanitarian organizations inside Venezuela. The Biden administration should consult with a broad array of Venezuelan as well as international relief organizations to identify and overcome remaining obstacles.

- 4) The international community can create an enabling environment that helps Venezuela toward a resolution of its multiple crises. But change cannot be produced from the outside. The U.S. government must steer clear of favoring one segment of Venezuela’s fractured internal opposition over another and send an unequivocal message about the need for opposition unity and efforts to rebuild credibility inside Venezuela. The opposition faces the critical task of reconciling its own differences over strategy in confronting the regime and achieving core goals.
- 5) The Biden administration’s oft-stated preference for multilateralism in foreign policy is an asset in approaching Venezuela. Multiple international partners have worked to maintain channels of communication with all sides. The European Union, the International Contact Group, the Lima Group, and the governments of Norway and Sweden have as a common denominator their search for a peaceful, democratic resolution of the Venezuelan crisis and a rejection of military options indirectly threatened by the United States under the previous administration. Convergence among outside actors, especially at a time of political fragmentation in Latin America, is unlikely. But by aligning itself with others and placing sanctions relief in a multilateral framework, the Biden administration can build credibility about its interest in a gradual process of political change and democratization. Negotiations have been tried and failed on numerous occasions, acquiring a bad name in the Venezuelan context. But now that “collapse” scenarios have been tried and failed, achieving broad political agreements that offer some guarantees in exchange for concessions constitute a more fruitful strategy for stabilizing and democratizing Venezuela.
- 6) In seeking greater international alignment around sanctions, outside actors need to be mindful of their unintended consequences. EU sanctions in February 2021 against 19 individuals of the Maduro regime led to retaliation—the expulsion of the EU ambassador to Venezuela. This could result in a serious downgrading of relations between Venezuela and the EU, which remains an important humanitarian actor on the ground. At the same time, no one should harbor illusions that the most important international actors in

⁴ United States Government Accountability Office, “Venezuela: Additional Tracking Could Aid Treasury’s Efforts to Mitigate Any Adverse Impacts U.S. Sanctions Might Have on Humanitarian Assistance,” GAO 21-239, February 2021.

Venezuela are Western democracies seeking a democratic outcome. Russia, China, Cuba, India, Turkey, and Iran have played a variety of roles in sustaining the Maduro regime. But their interests are diverse, as is their relative importance to regime survival. Without engaging in a complex geopolitical game, the Biden administration could explore bilaterally ways to secure the cooperation of some of these actors in resolving the Venezuelan crisis.

- 7) Finally, the United States and the international community in general should do far more to assist South American and Caribbean countries hosting Venezuelan refugees. In 2020, the United Nations Refugee and Migrant Response Plan received less than half the international funding it requested to address the needs of Venezuelan migrants and refugees across the region. Special attention should be given to Colombia, which hosts more Venezuelan refugees than any country in the world, and which just extended temporary protection status for 10 years to the almost 2 million refugees within its borders. UN High Commissioner for Refugees Filippo Grandi called Colombia's move the "boldest and most visionary response to date" in addressing Venezuela's humanitarian crisis. Yet a wide gulf separates the gesture from the means to sustain it. The United States can and must play a leading role in mobilizing sufficient resources for Colombia as well as other front-line nations directly impacted by Venezuela's ongoing meltdown.

Mr. SIREs. Thank you very much.
I now turn to your testimony, Mr. Fonseca.

STATEMENT OF MR. BRIAN FONSECA, DIRECTOR, JACK D. GORDON INSTITUTE FOR PUBLIC POLICY, FLORIDA INTERNATIONAL UNIVERSITY

Mr. FONSECA. Thank you, Chairman Sires, Ranking Member Green, distinguished members of the subcommittee, of course including my own hometown Representative, Congresswoman Salazar. It is my privilege to address you today on the state of Venezuelan foreign relations and its short-term and long-term effects on U.S. policy.

As already stated, Venezuela is in the midst of one of the worst economic contractions ever recorded, and because of that, the Maduro dictatorship continues to lean on a small group of States to remain in power. Russia, China, Cuba, Turkey, and Iran have all played important supporting roles for the regime.

These countries help Maduro bypass U.S. sanctions to keep the Venezuelan economy muddling through and provide technical assistance to help stave off internal and external threats.

The question before the House today is not whether the Venezuelan Government is a repressive and corrupt authoritarian regime. I believe that is clear. Rather, what can we do to alleviate the ongoing humanitarian crisis, regain influence on the ground, displace our geopolitical rivals, aid in the restoration of democratic governance, and help pave the way for a prosperous country for the Venezuelan people?

My testimony will focus on Russian-Venezuelan relations, but I must point out that Russia is just one of a handful of countries vital to Venezuelan domestic and foreign policy interests.

The considerations binding Russia, Venezuela, and the others are far less ideological. Instead, these countries are tied together by common authoritarian political structures and economic and political opportunism.

Furthermore, these countries all share antagonistic relationships with the United States. That is, regime survival, combined with our policy position, for better or worse, encourage these authoritarian regimes to travel together.

These countries also overwhelmingly prioritize their own survival well above the relationships. That leads me to conclude that these relationships—Russia-Venezuela included—are largely transactional and vulnerable to fracturing.

The Russo-Venezuelan relationship has evolved a great deal since former President Hugo Chavez and Vladimir Putin first met in Moscow in 2001. Putin saw tremendous economic and political opportunities in Venezuela, while Chavez sought to diversify its foreign relations away from the United States.

In subsequent years, Russian companies invested billions into Venezuela, largely focusing on arms and energy deals. Chavez also offered Russia political and military access on the ground in Venezuela.

Interestingly, much of the surge in Russian-Venezuelan engagement occurred during Maduro's tenure as Chavez's Minister of Foreign Affairs from 2006 to 2013.

After ascending to office in 2013, Maduro sought to leverage his relations with Russia and others to stave off challenges from internal political opposition, offset the massive amount of money siphoned through widespread corruption and criminality, and mitigate the economic death spiral that accelerated shortly after he took office.

Today, most experts would agree that Russia's direct business activities in Venezuela have not yielded the desired return on investment. Still, it maintains important economic interests; namely, energy infrastructure and enduring arms contracts.

However, the lack of direct ROI has forced the Russians to focus more on the indirect economic benefits and extracting political and geopolitical value out of Venezuela, primarily, maintaining a geostrategic footprint near the U.S., portraying Russia as a global power, unsettling American policymakers, undermining Western democratic values, and scoring political points at home for Putin.

In the economic context, Russia is just one of several countries vying for access to Venezuela's large proven oil reserves. There are clear indications that Rosneft and other Russian companies were taking huge losses well before U.S. sanctions.

Despite their losses, Russia owned significant energy assets in Venezuela, including nearly 81 billion barrels of proven reserves via its joint ventures with PDVSA—that, by the way, it chooses to leave in the ground.

One theory is that Russia is content with locking up Venezuelan oil in the ground and reducing global supply so that it can fetch a higher price for its own heavy crude on the global market.

Russia exports roughly 9 to 10 million barrels of heavy crude per day. So a \$5 increase in price of a barrel would generate roughly an additional \$50 million a day for Russian exporters. Thus, Russia may be deriving indirect economic benefits from a deteriorated Venezuelan oil industry made worse by U.S. sectoral sanctions.

In 2020, Russia oil exports to the U.S. hit a 16-year high, solidifying its place as the second-largest exporter of U.S. crude to the United States. Industry experts argue that the spike in Russian imports to the United States is driven, in large part, by U.S. sanctions against PDVSA.

Oil and gas are not the only drivers of Russian economic interests in Venezuela. Military sales are also an important part of Russia's broader economic interests. Building on military sales, Russia has established important military-to-military relationships with Venezuela. Russia provides technical assistance and offers professional military educational opportunities in Russia for Venezuelan military personnel.

Russia also maintains a formidable intelligence footprint in Venezuela. Although it is difficult to estimate how deep this aspect of the relationship goes or whether these relationships will be enduring, Russian military and intelligence presence in Venezuela is not in our national security interest.

Still, I assess the strategic intent for Russia is not to directly challenge the U.S. military. Instead, I think it finds value in creating a low-cost opportunity to irritate the United States, but not necessarily provoke an escalatory response.

Let me cover just a few recommendations, if I can, and then conclude.

I mean, to be clear, there is no easy path to transition in Venezuela and there are severe limitations to what the U.S. can do now. Still, I think there are meaningful actions that we should be thinking about as the situation continues to evolve.

First, we should reevaluate our sanctions and consider doubling down on targeted sanctions against individuals and reversing broader sanctions that may be hurting our national interests and the interests of the Venezuelan people.

There is good reason to believe that some of our sanctions are undermining our long-term domestic and foreign policy objectives. Our sanctions should not exacerbate the ongoing crisis, erode America's reputation, or work in the interests of our global rivals.

Second, we must find ways to close the important pressure release valves or else the sanctions will do little to effect change. If the dictatorship can leverage its allies and use illicit trafficking proceeds to subsidize its struggling Venezuelan economy, meaningful change will remain elusive.

Third, we should consider reestablishing some diplomatic and economic access. I am not suggesting we reestablish an embassy without evaluating important concessions, but we should look to regain some diplomatic footprint.

We should also create space for the American private sector to outcompete Russia, China, and others taking advantage of the U.S. absence. There is certainly a clear preference for American businesses over Russia, China, Iran, and Turkey.

Finally, we should consider bolstering the governance capacity and reassure our partners in the region, especially Venezuela's neighbors Guyana, Colombia, and Peru, and consider working more closely with our international allies, especially the U.K., France, and Canada, which all maintain diplomatic relations.

The fact that this is among the first hearings of the 117th Congress and the first for this committee is a testament to the importance of Venezuela to the United States and our commitment to the Venezuelan people.

As I said before this committee in 2019, nature abhors a vacuum. If we do not have a presence, then China, Russia, Iran, and others antithetical to our interests and the interests of the Venezuelan people will be more than happy to fill that void.

Again, thank you for this amazing opportunity, and I look forward to your questions.

[The prepared statement of Mr. Fonseca follows:]

“A Way Forward for Venezuela: The Humanitarian, Diplomatic and National Security Challenges Facing the Biden Administration”

Testimony by Brian Fonseca

Director, Jack D. Gordon Institute for Public Policy
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Before the House Foreign Affairs Committee | Subcommittee on Western Hemisphere, Civilian Security, Migration, and International Economic Policy

March 3, 2021

Chairman Sires, Ranking Member Green, distinguished members of the Subcommittee, it is my privilege to address you today on the state of Venezuelan foreign relations and its short- and long-term effects on United States national security policy.

Venezuela is in the midst of one of the worst economic contractions ever recorded¹—among the largest ever in Latin America. Because of that, the Maduro dictatorship continues to lean on a small group of states inside and outside of the region to remain in power. China, Russia, Cuba, Turkey, and Iran have all played important supporting roles for the regime—of course, to varying degrees. These countries help Nicolás Maduro bypass U.S. sanctions to keep the Venezuelan economy muddling through and provide technical assistance to stave off internal and external threats.

My testimony will focus on Russo-Venezuelan relations, but it is important to point out that Russia is just one of a handful of countries vital to Venezuelan domestic and foreign policy interests. The considerations binding Russia, Venezuela, and the others are far less ideological. Instead, these countries are tied together by common authoritarian political structures and economic and political opportunism. Furthermore, these countries all share antagonistic relationships with the United States. That is, regime survival combined with our policy positions, for better or worse, encourage these authoritarian countries to travel together. These countries also overwhelmingly prioritize their own survival well above their relationships with Venezuela. That leads me to conclude that these relationships, Russia-Venezuela included, are largely transactional and vulnerable to fracturing.

The question before the House today is not whether the Venezuelan government is a repressive and corrupt authoritarian regime. That is clear. Rather, what can the United States do to alleviate the ongoing humanitarian crisis, regain influence on the ground, displace our geopolitical rivals, aid in the restoration of democratic governance, and help pave the way for a prosperous country for the Venezuelan people.

The Russo-Venezuela relationship has evolved a great deal since former Venezuelan President Hugo Chávez and Russian President Vladimir Putin forged ties during the former’s two visits to Moscow in 2001. Putin saw tremendous economic and political opportunities in Venezuela while Chávez sought to diversify its foreign relations away from the United States. In subsequent years,

¹ Anatoly Kurmanaev, “Venezuela’s Collapse Is the Worst Outside of War in Decades, Economists Say,” *New York Times*, May 17, 2019. <https://www.nytimes.com/2019/05/17/world/americas/venezuela-economy.html>

Russian companies like Rosoboronexport, Rosneft, and Gazprom invested billions into Venezuela, largely focusing on arms and energy deals². Chávez also offered Russia political and military access on the ground in Venezuela. In fact, much of the surge in Russian-Venezuelan engagement occurred during Maduro's tenure as Chávez's Minister of Foreign Affairs from 2006 to 2013. After ascending to office in 2013, Maduro sought to leverage his relations with Russia, and others, to stave off challenges from internal political opposition, offset the massive amount of money siphoned through wide-spread corruption, and to mitigate the economic death spiral that accelerated shortly after he took office.

Characteristics of the Russo-Venezuela Relationship

Today, most experts would agree that Russia's direct business activities in Venezuela have not yielded the desired return on investment, though this view may overlook significant indirect economic and political benefits derived by this Russian investment. Russia still maintains important economic interests in Venezuela, namely energy infrastructure and enduring arms contracts. However, the lack of resources has forced Russian leadership to seek out political and geopolitical returns on investment in Venezuela. Russia is leveraging its access to maintain a geostrategic footprint near the United States, portray Russia as a global power, unsettle American policymakers, undermine western values, and score political points at home for Putin.

Russia is one of several countries vying for access to Venezuela's large proven oil reserves. Some believe that Russia's state owned (40.4%) oil company Rosneft has invested nearly \$10 billion in Venezuela since 2010. U.S. sanctions against Rosneft in 2020 forced their Chief Executive Officer Igor Sechin to offload the company's production, services, and trading assets to an entity entirely owned by the Russian government.³ The move was largely seen as a means of bypassing U.S. sanctions. Still, there were strong indications that Rosneft and other Russian companies active in the Venezuelan energy sector were taking huge losses well before U.S. sanctions against Rosneft. Still, Russia owns significant energy assets in Venezuela including nearly 81 billion barrels of proven reserves via its joint venture with Petróleos de Venezuela, S.A. (PDVSA), and chooses to leave it in the ground.

One theory is that Russia is content with locking up Venezuelan oil in the ground and reducing global supply so that it can fetch a higher price for its own heavy crude on the global market. Russia exports roughly 9 to 10 million barrels of heavy crude oil per day, so a five-dollar increase in price per barrel would generate an additional \$50 million a day for Russian exporters. Moreover, as the age of the hydrocarbon seems to be winding down, a barrel not produced and sold today may end up never being produced and sold in the future. Thus, Russia may be deriving indirect economic benefits from a deteriorated Venezuelan oil industry made worse by U.S. sectoral sanctions. In 2020, Russia oil exports to the U.S. hit a 16-year high, solidifying its place as the second-largest

² Vladimir Rouvinski, "Russian-Venezuelan Relations at a Crossroads," *Wilson Center Latin American Program*, February 2019. <https://www.wilsoncenter.org/publication/russian-venezuelan-relations-crossroads>

³ Isabelle Khurshudyan and Anthony Failoa, "Russian Oil Giant Rosneft Pulls Out of Venezuela Amid U.S. Squeeze on Maduro," *Washington Post*, March 28, 2020. https://www.washingtonpost.com/world/europe/venezuela-maduro-russia-rosneft/2020/03/28/0d38ce4a-7121-11ea-a156-0048b62cdb51_story.html

exporter of crude to the United States. Industry experts argue that the spike in Russia imports in the U.S. is driven in part by U.S. sanctions against PDVSA.⁴

Oil and gas are not the only drivers of Russia's economic interests in Venezuela, nor have they been substantial profit centers for Russian firms. Military sales are also an important part of Russia's broader economic interests in Venezuela. Some estimate that Russia sold nearly \$20 billion in military equipment to the Venezuelan military on credit since about 2005. This includes Sukhoi fighters, the S-300 surface-to-air missile system, T-72M1 tanks, an array of other transport vehicles and helicopters, as well as small arms.⁵ One profitable aspect of Russia arms deals is the long-term maintenance packages that accompany military technology transfers. These contracts require all maintenance work to be done by Russian firms or contractors. This contributes to the persistent flow of Russian military personnel to Venezuela.

Building on the economic benefits of Russian military sales to the Venezuelan military, Russia is establishing important military-to-military relationships with Venezuela that go beyond economic gains. Russia provides technical assistance to Venezuelan military leaders and offers professional military educational opportunities in Russia for Venezuelan military personnel. Additionally, it is highly likely that Russia has a formidable intelligence footprint in Venezuela. Russia has long been accused of masquerading Russian intelligence operatives as official Embassy staff. Although it is difficult to estimate how deep this aspect of the relationship goes, or whether these relationships will be enduring, Russian military and intelligence presence in Venezuela is not in our national security interest. Still, we assess the strategic interest for Russia is not to directly challenge the U.S. military, but to underscore its presence as a relevant power in the Western Hemisphere. Small-scale military deployments are further evidence of the mindset in Moscow to focus on low-cost actions intended to irritate the U.S., but not provoke an escalatory response. Such deployments are meant to project power, unsettle the U.S., sow distrust in the region, all while trying to turn a profit.

For Putin, the fact that Venezuela is located so close to the U.S serves as an important incentive to deepen Russian influence and undermine U.S. policy. Russia finds political value in undermining U.S. interests in the Western Hemisphere, whether by supporting American adversaries, promoting instability in Colombia, or attacking the U.S. brand by demonstrating the ineffectiveness of U.S. sanctions policy. Russia views its geostrategic access in Venezuela as a counter to U.S. presence in Eastern Europe. In fact, rumors have been floating around for years that Russia would trade its footprint in Venezuela for the removal of the U.S. footprint in Ukraine. It is no coincidence that as the U.S. was showing support for the Georgia government in 2008, Russia deployed strategic bombers and naval assets to Venezuela as part of a joint military

⁴ Tsvetana Paraskova, "Russia's Oil Product Exports to U.S. Jump to 16-Year High," *Oilprice.com*, August 11, 2020. <https://oilprice.com/Latest-Energy-News/World-News/Russias-Oil-Product-Exports-To-The-US-Jump-To-16-Year-High.html>

⁵ "Rosoboronexport Supplied the President of Venezuela With a Full-Scale Simulator of the Su-30MK2 Aircraft," *Rostec.ru*, November 28, 2019. <https://rostec.ru/en/news/rosoboronexport-supplied-the-president-of-venezuela-with-a-full-scale-simulator-of-the-su-30mk2-airc/>

exchange.⁶ A decade later, Russia deployed two nuclear-capable bombers to Venezuela in a likely attempt to flex its muscles in response to U.S. backing for Ukraine.

Russia uses Venezuela to demonstrate its global reach and bolster its reputation as a world power. In 2014, former President Barack Obama famously referred to Russia as a regional power.⁷ This enraged Putin, who sees Russia as a major global power, and is desperate to be recognized by other players as equal to the U.S. in the international arena. This is consistent with Putin's statements about returning Russia to greatness. Venezuela is merely an opportunity to demonstrate its ability to influence beyond its region. In addition, Russia, like China, is interested in undermining western democratic world order and forcing acceptance of its authoritarian model⁸.

Recognition is vitally important to Putin at home as well. There is significant domestic value for Putin to aggressively assert Russia's presence in Latin America and elsewhere around the world. At home, Putin's popularity is fragile, and the Russian economy is struggling, so he seeks to score points in his handling of Russian foreign policy and his confrontational approach to the United States.

Undermining U.S. Policy in Venezuela

The Russo-Venezuela relationship remains important to the near-term survival of the Venezuelan regime. The same can be said of Venezuela's relations with China, Iran, Turkey, and Cuba. The economic pressure created by U.S. sanctions has forced Venezuela to lean on its allies to help circumvent the economic impact – the dominant feature in U.S. policy toward Venezuela⁹. At different times, Russia, China, and Iran have served as intermediaries allowing Venezuelan oil and gas to be extracted, refined, and traded (mostly with China as a means of paying down debt). Russia, Iran, and Turkey have also helped Maduro around sanctions by extracting gold from Venezuelan mines.

Furthermore, Russia, Cuba, and Iran are leveraging their decades of experience in living with U.S. sanctions to coach Venezuelan leadership. The longer the Maduro regime can survive under "maximum pressure", the more U.S. credibility is undermined. At this point in time, Maduro is not just surviving, but beginning to recover. The dollarization of the economy appears to be providing temporary economic relief. Oil production is back up, and the refineries have been restarted. This should ameliorate the primary recent threat to the regime – the gasoline and diesel shortages.

⁶ Simon Romero and Clifford J. Levy, "Russia and Venezuela Confirm Joint Military Exercises," *New York Times*, September 8, 2008. <https://www.nytimes.com/2008/09/09/world/americas/09venez.html>

⁷ Julian Borger, "Barack Obama: Russia Is a Regional Power Showing Weakness Over Ukraine," *The Guardian*, March 25, 2014. <https://www.theguardian.com/world/2014/mar/25/barack-obama-russia-regional-power-ukraine-weakness>

⁸ Alexander Vershbow and Daniel Fried, "How the West Should Deal with Russia," *The Atlantic Council*, November 23, 2020. <https://www.atlanticcouncil.org/in-depth-research-reports/report/russia-in-the-world/>

⁹ Matt Ferchen, "China-Venezuela Relations in the Twenty-First Century: From Overconfidence to Uncertainty," United State Institute of Peace, September 2020. <https://www.usip.org/publications/2020/09/china-venezuela-relations-twenty-first-century-overconfidence-uncertainty>

It would be a mistake to think of Russia's actions as altruistic, despite being cloaked in the primarily economics-based policies that have defined its 21st-century relationship with Venezuela. One of Russia's main objectives is to undermine liberal democracy in the Western Hemisphere by throwing its support behind a friendly authoritarian regime. Building a relationship with Maduro further demonstrates Moscow's desire to thwart U.S. policy and influence in Latin America while showcasing its own ability to play a significant role in a country just 1,500 miles off the U.S. coast.

Keeping Maduro in power is important in the current Russian policy model, and the Russians believe they won the first round in that struggle by ensuring the authoritarian regime remains despite efforts by the U.S. Internally, though, some in Russia are concerned about the long-term prospects of what might happen to Venezuela's government. When it transitions back to a democratic political regime, many of Russia's relationships and agreements within the old state will likely not be viewed as legitimate or legal. Russia is paying close attention to Venezuela's Constituent National Assembly's September 2020 Anti-Blockade Law (Ley Antibloqueo). The law gives Maduro the authority to privatize state-owned strategic assets. Once these assets are gone, they may be impossible to recover, even if the opposition takes power. This could lead to even greater access for Russia, China, and other American competitors. Moreover, the law will provide additional tools for Maduro to weather a U.S. policy largely built on sanctions.¹⁰

Policy Recommendations

So, what's the way forward in Venezuela? To be clear, there is no easy path to transition in Venezuela and there are severe limitations to what the U.S. can do now. Still, I think there are meaningful actions that we should be thinking about as the situation continues to evolve.

First, we should reevaluate our sanctions and consider doubling down on targeted sanctions against individuals and reversing broader sanctions that may be hurting our national interests and the interests of the Venezuelan people. There is good reason to believe that some of our sanctions are undermining our long-term domestic and foreign policy objectives in Venezuela. Our sanctions should not exacerbate the ongoing humanitarian crisis, erode American reputation among the masses in Venezuela, or work in the interests of our global rivals. Based on my research, many Venezuelans seeking change initially welcomed sanctions. That sentiment is eroding because of sanctions' inability to effect regime change as advertised. Furthermore, the sanctions should not undermine our ability to build vital influence on the ground and compete with Russia, China, and other competitors already entrenched in Venezuela.

Second, we must find ways to close important pressure release valves or else the sanctions will do little to effect meaningful change in Venezuela. If the dictatorship can leverage its allies and use illicit trafficking proceeds to subsidize its struggling Venezuelan economy, meaningful change will remain elusive. The U.S. should find unique ways to pressure Venezuela's allies into supporting

¹⁰ De la Cruz, Antonio, "The Anti-Blockade Law: A Change in Venezuela's Economic Model," *Center for Strategic and International Studies*, December 2, 2020. <https://www.csis.org/analysis/anti-blockade-law-change-venezuelas-economic-model>

the will of the Venezuelan people, rather than exploiting Venezuela for their own political and economic interests. That includes a return to free and fair elections in Venezuela.

The U.S. should work with regional and global partners to counter illicit trafficking flows moving through Venezuela. The U.S. tends to focus on countering illicit flows heading south to north into the United States. We should emphasize efforts to cut off Venezuela's access to illicit markets moving east to west the same way our sanctions have attempted to cut off its licit economy from the global economy. China and Russia have, in the past, supported counter illicit trafficking efforts in Latin America. This could be one avenue of engagement.

Third, we should consider ways to reestablish some diplomatic and economic access in Venezuela. I am not calling for reestablishing an embassy without evaluating important concessions from the regime. I am suggesting, however, that we consider an Interest Section akin to the U.S. Interest Section at the Swiss Embassy in Cuba. The Interest Section can serve to both aid our understanding of realities on the ground and advance U.S. foreign policy objectives when opportunities arise.

We should also create space for the American private sector to outcompete Russia, China, and others taking advantage of the United States' absence. There is a clear preference for American businesses over Russia, China, Iran, and Turkey. Unleashing the American private sector could provide consequential long-term influence that could aid in ushering in democratic transition. The U.S. could consider the issuance of specific licenses to American companies that engage in oil for food/medicine, rather than removal of sectoral sanctions in the near-term. This would give the American private sector some access on the ground and help alleviate the humanitarian crisis.

Fourth, we should bolster the governance capacity and reassure our partners in the region—especially Venezuela's neighbors Guyana, Colombia, and Peru. The U.S. should reinforce the democratic institutions and values that create resiliency against Russian and Chinese efforts to undermine democratic governance, not just in Venezuela but across Latin America and the Caribbean. Our partners need to know we are there.

Finally, the UK, France, and Canada all maintain diplomatic relations. We should work more through our allies, as well as multilateral organizations like the Organization of American States, to maintain pressure on the regime and serve as potential channels for communications—akin to how Canada helped the U.S. reestablish diplomatic channels with Cuba.

The fact that this is among the first hearings of the 117th Congress—and the first for this subcommittee—is a testament to the importance of Venezuela to the United States and our commitment to the Venezuelan people. As I said before this subcommittee in 2019, nature abhors a vacuum. If we don't have a presence, then China, Russia, Iran, and others antithetical to our interest will be more than happy to fill the void. Again, thank you for this amazing opportunity and I look forward to your questions.

Mr. SIREs. Thank you.

Dr. Berg, you are recognized for your testimony.

**STATEMENT OF DR. RYAN C. BERG, RESEARCH FELLOW,
LATIN AMERICA STUDIES, AMERICAN ENTERPRISE INSTITUTE**

Dr. BERG. Chairman Sires, Ranking Member Green, members of the subcommittee, thank you for the opportunity to testify on this timely topic today.

The political and economic devastation wrought by the Maduro regime in Venezuela, Latin America's erstwhile wealthiest country, is truly unprecedented. The country has lost 20 percent of its pre-crisis population, 5 to 6 million refugees, a number that could rise to as many as 10 million by 2023, according to the International Monetary Fund.

De facto President Nicolas Maduro has presided over the largest economic decline outside of war in world history and his regime is now considered a criminalized or a mafia State. Venezuela's institutions are so thoroughly penetrated by corruption and criminal interests that senior leaders, including Maduro himself, are actively participating in transnational criminal enterprises.

The Revolutionary Armed Forces of Colombia, or FARC, the National Liberation Army, or ELN, and Lebanese Hezbollah all have received shelter and even material support from the Maduro regime.

Maduro's Venezuela represents a combustible mix of national security threats that have metastasized throughout the hemisphere, leaving the door wide open and beckoning the involvement of extra-hemispheric actors and U.S. strategic competitors that have seized on the bedlam in Venezuela to enter our shared neighborhood, sow chaos, destabilize the region, and augment their power-projection capabilities.

Russia has provided the Maduro regime with a critical sanctions-busting lifeline, as well as myriad weapon systems.

China has provided more than \$60 billion in loans since 2007 and traded repressive digital surveillance technology to further Maduro's control.

And Cuba has remade the repressive organs of Venezuela's police state in exchange for oil.

Perhaps the most concerning aspect of Venezuela's slide into chaos, however, are the bonds it has forged and solidified with Russia, China, and Cuba, in many cases turning transactional relationships into blossoming strategic partnerships and even, in some cases, outright dependencies.

Venezuela has become a prime example of the phenomenon known as authoritarian export or authoritarian learning, whereby authoritarian leaders share best practices in repression and adopt survival strategies based upon their prior successes in other countries.

Like a family recipe, authoritarians have bequeathed to Caracas their best advice in regime survival. If not for Cuba, the Venezuelan regime would arguably not exist in its current form. And if not for Russia and China, the Maduro regime would probably have collapsed.

As Venezuela's economy slips further into the abyss, however, the Maduro regime has doubled down on the narrative of a nation under siege and abdicated any responsibility for the country's collapse.

I think it is critical to avoid misconstruing the realities of who is to blame here because it means misidentifying the most appropriate strategies for addressing the unique security challenges the regime poses to the region.

Mr. Chairman, I would like to use the remaining time available to highlight very briefly several policy recommendations for the United States.

First, pursue a policy of management, not solutionism. The Biden Administration should recognize that it has inherited a significant position of leverage, but it should resist the temptation to go big and rush into negotiations with the Maduro regime. A Hail Mary pass at this inauspicious moment could actually entrench the regime further.

Second, attend to the unfolding humanitarian disaster. As we have all heard today already, this is the most underfunded humanitarian crisis in modern history. For comparison, Syrian refugees have received the equivalent of \$3,150 per refugee, while Venezuelans have received a paltry \$265 per refugee.

Aid should be targeted to encourage and defray the costs of further integration of Venezuelan refugees in host countries such as Brazil, Colombia, Peru, and others.

Third, monitor the effect of sanctions on humanitarian efforts. The Treasury Department should monitor potentially negative humanitarian consequences of our U.S. sanctions. The U.S. should seek to ensure the reliability of the humanitarian exemptions that are built into our sanctions architecture, and fine-tuning sanctions should be the first impulse, rather than simply lifting them.

Fourth, avoid the siren song of negotiations until minimum conditions in the country are met. By some accounts, there have been nearly a dozen attempts to negotiate with the Maduro regime and limited progress has been made, with significant opportunity costs to the Venezuelan people.

I will note that there is currently no consensus of what the minimum conditions would be for a negotiation, and major questions persist regarding objectives, timing, process, and trust-building measures with the Maduro regime.

Fifth, encourage the European Union to bring more pressure. While awaiting a more fortuitous diplomatic moment, the Biden Administration should encourage the European Union to adjust its policy in a nod to reality.

Quite simply, the EU's current approach is riddled with inconsistencies and the pressure setting is insufficient to meaningfully contribute to a negotiated solution and to protect human rights on the ground.

Sixth, broaden the diplomatic tool kit to complement sanctions. The U.S. should employ nonsanctions instruments concurrently with U.S. sanctions to achieve the effective pressure level. These instruments include legal referrals to international tribunals, such as the current case pending against Venezuela before the International Criminal Court, and anti-money-laundering mechanisms

and resource certification regimes to deter the Maduro regime's participation in the illicit economy.

And seventh and last, bolster intelligence capabilities. The failed April 2019 uprising announced from La Carlota Air Base in Caracas and Operation Gideon, the failed 2020 amphibious invasion planned in neighboring Colombia by a sanctioned Venezuelan general, should prompt the incoming Director of the CIA and the intelligence community to conduct a thorough investigation of intelligence failures in the country related to the Maduro regime's authoritarian resilience and bolster U.S. intelligence assets and capabilities in Venezuela.

Thank you, Mr. Chairman, and I look forward to answering the committee's questions.

[The prepared statement of Dr. Berg follows:]



Statement before the House Committee on Foreign Affairs
Subcommittee on the Western Hemisphere, Civilian Security, Migration, and
International Economic Policy
On a Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security
Challenges Facing the Biden Administration

Shoring Up a Beleaguered Ally

The Role of China and Cuba in Maduro's Authoritarian
Resilience

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Chairman Sires, Ranking Member Green, and members of the subcommittee: Thank you for the opportunity to testify on this timely topic.

The political and economic devastation wrought by the Maduro regime in Venezuela, Latin America's erstwhile wealthiest country, is by now a well-known story. Never in its modern history has the region witnessed a disaster on this scale. Venezuela has lost nearly 20 percent of its precrisis population, with estimates of between five and six million Venezuelan refugees scattered across the globe.¹ Worse, the International Monetary Fund predicts that by the end of 2023, 10 million Venezuelans will have fled—one-third of the country's precrisis population.²

De facto President Nicolás Maduro has presided over the largest economic decline outside of war in world history.³ Analysts now refer to Venezuela as a "criminalized" or "mafia state," with institutions so thoroughly penetrated by corruption and criminal interests that senior leaders—up to and including Maduro himself—are ensconced in transnational criminal enterprises.⁴ The economic and political meltdown, together with the regime's prodigious involvement in transnational organized crime and the safe havens provided to designated terrorist groups, represent a combustible mix of national security threats to the US left metastasizing in the Western Hemisphere—an inviting scenario for the involvement of strategic rivals.

Indeed, in a geopolitical environment of intensifying rivalry, where Latin America has become an emerging flash point, extra-hemispheric actors and US strategic competitors have opportunistically leveraged the bedlam in Venezuela to enter the Western Hemisphere, sow chaos, destabilize the region, and augment their power projection capabilities. Quite simply, authoritarian regimes everywhere have a deep interest in constructing a world safe for their ilk, and in Venezuela, they have moved to shore up Maduro's flailing regime, including at several critical moments of considerable vulnerability.⁵

Perhaps the most concerning aspect of Venezuela's slide into chaos is the bond it has forged and solidified with Russia, China, and Cuba—in many cases, turning once transactional relationships into blossoming strategic partnerships and even outright dependencies. Venezuela has become a prime example of the phenomena known as "authoritarian export" and "authoritarian learning," whereby authoritarian leaders share best practices in repression and "adopt survival strategies based upon their prior successes and failures of other governments."⁶

Russia's support for the Maduro regime has provided Venezuela with a crucial, sanctions-busting lifeline and Russia with a foothold in a strategically important country in the Western Hemisphere. In Venezuela, Vladimir Putin has burnished his image as a defender of embattled regimes worldwide.⁷ Recent years have witnessed nuclear-capable Russian bombers fly 6,200 miles to land in Caracas and the signing of an agreement allowing Russian warships to use Venezuelan naval ports.⁸ Russian Defense Minister Sergei Shoigu has mused openly about the placement of Russian cruise missiles on Venezuela's Caribbean shores.⁹ The echoes of the Cuban Missile Crisis are chilling. Already, Venezuela possesses Russia's advanced S-300 long-range surface-to-air missile system.¹⁰ Several hundred Russian soldiers have deployed to

Venezuela as “advisers” and subsequently donned the fatigues of the Venezuelan Army in an effort to blend in as they head to garrisons around the country.¹¹

China’s support for the Maduro regime has permitted it access to precious natural resources and Venezuelan crude. In its ambition to lock in this access, between 2007 and 2017, China extended more than \$60 billion in loans to Venezuela in exchange for future oil shipments.¹² Venezuela’s then-president, Hugo Chávez, was content to mortgage the country’s future if in the process it propelled his own rise and the fortunes of his political project, *Chavismo*. In addition to financial dependency on China, Venezuela has also served as another market for the export of China’s repressive surveillance technology, including tools from major state-owned enterprises, such as ZTE Corporation.

Cuba’s support for the Maduro regime also fits the model of “authoritarian export.” Cuba’s intelligence agents have insinuated themselves within Venezuela’s armed forces, helped Maduro (and Chávez before him) capture state institutions, and assisted in the construction of repressive organs of a police state capable of suppressing organized revolt and stymieing Washington. In return for Cuba’s tutelage and “solidarity,” Venezuela has shipped free oil to the cash-strapped island, a near daily tribute it has maintained even as its own domestic oil production has cratered due to incompetence, corruption, and inefficiencies at the state-owned oil company Petróleos de Venezuela, SA (PDVSA). Indeed, Venezuelans have long lamented the outsourcing of Venezuela’s sovereignty as the “Cubanization” of the country.¹³

In sum, like a family recipe, authoritarians of all stripes have bequeathed to Caracas their best advice in regime survival. If not for Cuba, the Venezuelan regime would arguably not exist in its current iteration; if not for Russia and China, the Maduro regime specifically would have collapsed. In an era of great-power rivalry, the support provided by fellow authoritarians has additional significance when US strategic competitors can turn Venezuela into a nightmare and source of instability for the entire hemisphere.

China: From Largesse to Geopolitical Rivalry

After the election of Hugo Chávez in 1998, Venezuela sought to diversify its trading partners, especially in its oil exports, and Asia was a natural counter to the US. From Beijing’s perspective, Venezuela made an ideal partner—endowed with untold minerals and rich in raw materials, including the largest proven oil reserves in the world. As president, Chávez visited China more than any other Latin American leader.¹⁴

The decade between 2007 and 2017 saw an explosion of Chinese investment in Venezuela. Beijing furnished some \$64 billion in loans, investing in a range of projects, including housing, infrastructure, satellites, mining, and even a railway company.¹⁵ Often, these loans were collateralized with oil. Since 2005, Venezuela represents 45 percent of China’s total development lending to Latin America.¹⁶

Maduro, however, has not managed the success of his predecessor in attracting Chinese investment. In 2018, he traveled to Beijing to sign 28 bilateral agreements and received \$5 billion in loans to revive oil production.¹⁷ Throughout the crisis, Maduro has pleaded for favorable deals from great powers to help Venezuela recover previous levels of oil output. Yet, China has not opened any new lines of credit in the Maduro era, preferring to renew preexisting ones and grant extensions in repayment timelines. China has also been active in oil-processing joint ventures and the Belt and Road Initiative. Fearing sanctions, China has continued to import some Venezuelan oil, mostly using ship-to-ship transfers on the open sea.¹⁸

Maduro’s appalling economic management notwithstanding, Chinese support has also come in other crucial forms. Since the start of Venezuela’s crisis, China has supported the Maduro regime diplomatically, preventing it from sinking to “pariah” status. After Juan Guaidó’s rise to interim president, raising significant pressure on the Maduro regime as nearly 60 countries recognized his legitimacy, the Chinese Foreign Ministry reiterated its respect for Venezuela’s efforts “to uphold national sovereignty,

independence and stability.”¹⁹ Beijing has a strong interest in Venezuela, stemming from its fear of sovereignty violations in Taiwan and Hong Kong. With China’s backing, the Maduro regime even secured a seat on the United Nations Human Rights Council in 2019, joining a group that includes many of the main antagonists in Venezuela’s ruin: China, Russia, and Cuba.²⁰ Such a position not only ensures this rogues’ gallery the ability to stymie the Council’s work but also mitigates Maduro’s international isolation.

Perhaps most nefariously, China has exported a suite of repressive surveillance technology to Venezuela. In 2016, for instance, Maduro rolled out what has become a key tool in maintaining his social control—the so-called *Carnet de la Patria* (“fatherland card”), a social ID card developed and sold by ZTE Corporation.²¹ The card is intended to monitor citizens’ social, political, and economic behavior, patterned on China’s repressive social credit system, and is required to access social services and benefits. China’s track record in exporting technology-driven authoritarian tools makes it the supplier of choice for many authoritarian regimes, such as Maduro’s.²² In addition to technology, China has also sold military hardware to Venezuela, including armored personnel carriers used to suppress protests.²³

As long as a considerable portion of Venezuela’s debt remains in arrears, “China is carrying the burden of Venezuela’s collapse.”²⁴ Nevertheless, for China, Venezuela at a standstill, and therefore a major liability, is still better than Venezuela undergoing an uncertain political transition. In the context of the increasing US-China rivalry, China is unlikely to work productively toward a political transition that would strengthen Washington’s position in the region (and potentially compromise the repayment of its many loans).

Cuba: An Existential Dependence in a Flagging “Revolution”

Cuba is Venezuela’s most important ideological ally. After assuming the presidency in 1998, Chávez became Fidel Castro’s apprentice. This “*padre-hermano*” relationship blossomed beyond political ideology to encompass the implementation of medical missions, the construction of telecommunications systems, and the rollout of literacy programs. Ostensibly aiding the country’s development, the *Barrio Adentro* (“Into the Neighborhood”) program morphed into antennae for intelligence gathering and social and political control that Cuban doctors have called “blackmail.”²⁵ In turn, Venezuela sent thousands of barrels of oil, and by 2011, Cuba imported more than 60 percent of its total supply from Venezuela.²⁶ While estimates of the number of Cubans in the country vary, by 2004, approximately 20,000 Cubans were in Venezuela administering government programs. By 2015, this number burgeoned to 60,000 personnel.²⁷

An in-depth investigation of previously undisclosed documents explains exactly how the Cuban government directed the restructuring and rebuilding of Venezuela’s armed forces more than a decade ago. By monitoring domestic and internal military activities, the Cubans sought to “coup proof” the Venezuelan regime.²⁸ To do so, they erected an organization—the Directorate General of Military Counterintelligence (DGCIM)—that sits above the Venezuelan armed forces and neutralizes any whiff of defection within the ranks. Members of the DGCIM have been implicated in a plethora of human rights abuses, including the detention and torture of military personnel and their families.²⁹ Cuban intelligence personnel have trained Venezuelan soldiers, at times alongside Iranian officials, in interrogation techniques and torture methods. Testifying before the US Senate in 2017, Luis Almagro, secretary general of the Organization of American States, labeled Cuba’s presence in Venezuela “an occupation army.”³⁰

These moves in the security realm likely ensured greater loyalty to Venezuela’s Bolivarian project—a loyalty that explains much of Maduro’s resilience. Indeed, the Cuban regime’s deep entrenchment means that no nation looms larger over Venezuela today than Cuba. A democratic transition in Venezuela would cut the life support it provides to the Cuban regime and is therefore something the latter cannot countenance.

Beware the Maduro Regime’s False Narratives

Well before Venezuela's political and economic crisis, the country's prized industry—oil—began deteriorating due to incompetence, lack of investment in maintenance, and, relatedly, an unfathomable amount of theft at PDVSA. Independent audits in 2016 estimated that Venezuela had lost approximately \$350 billion to kleptocracy, making it the nation with the largest public losses owing to corruption in the world. (The next highest nation suffered \$100 million in losses.)³¹ As Maduro has pressed onward in his survival strategy, these kleptocracy figures have likely accelerated since 2016. A founding member of the Organization of the Petroleum Exporting Countries (OPEC) that boasts the largest proven oil reserves in the world and once pumped upward of 3.5 million barrels per day, Venezuela managed to produce, as of January 2021, a paltry 500,000 barrels per day.³²

As Venezuela's economy slips further into the abyss, the Maduro regime has doubled down on the narrative of a nation under siege and abdicated any responsibility for the country's collapse. Some analysts in the US who question the utility of sanctions on the regime have been drawn to the allure of this narrative, misconstruing the source of Venezuela's implosion. A recent report not only argued the illegality of US sanctions but also spuriously attributed thousands of premature deaths to US sanctions policy.³³

However, a Government Accountability Office (GAO) report from February 2021 found that while US sanctions contributed to Venezuela's economic malaise, "mismanagement of Venezuela's state oil company and decreasing oil prices are among other factors that have also affected the economy's performance during this period."³⁴ It could not be any clearer where to place the blame for Venezuela's catastrophic decline—with the unimaginable cruelty and moral bankruptcy of a regime that brutally represses its people while 94 percent of citizens suffer in poverty, a regime that faces desperate shortages of just about every essential item but torches aid convoys seeking to traverse its borders and bring relief, and a regime that commits thousands of extrajudicial killings and other human rights abuses that the United Nations Office of the High Commissioner for human rights has found constitute "crimes against humanity."³⁵

Further, the US sanctions-as-the-cause-of-decline thesis fails to account for rudimentary facts and elides basic chronology. A month after US sanctions on Venezuela in 2017—and before 2019 sanctions on PDVSA itself—Maduro fired the head of PDVSA and his oil minister, installing a military general with no previous experience in oil.³⁶ A purge of over 60 senior managers and technicians ensued. The departure of talented engineers and technicians over the past two decades, including 20,000 professionals fired by Chávez in 2003, had gutted PDVSA's repository of competence.³⁷ Indeed, one of the most resilient areas of oil production remains Venezuela's heavy crude—run largely with foreign oil companies in joint ventures—while light and medium crudes, under direct PDVSA control, have collapsed disproportionately. Venezuela's oil production hewed closely to other OPEC nations' until 2000, when it commenced a long decline courtesy of repeated expropriations, corruption, and the use of rents for a slew of non-oil activities.³⁸

Venezuela's long decline as an oil producer meant that by 2019, when the US imposed direct sanctions on PDVSA, Maduro had already decided to slash imports of food and medicine by 80 percent. "Years before defaulting on bondholders," comments Harvard economist Ricardo Hausmann, "Maduro chose to default on Venezuelan stomachs."³⁹ Maduro and his cronies—and only they—have the power to reverse these reprehensible policies and open the doors to attend to Venezuela's worsening humanitarian crisis. Instead, the regime harasses NGOs at an alarming rate and seeks to control the distribution of humanitarian aid.⁴⁰

Policy Recommendations

Management, Not Solutionism.⁴¹ The Biden administration should recognize that it has inherited a position of significant leverage, but it should resist the temptation to "go big" and rush into negotiations with the Maduro regime. In the past, new administrations have succumbed to the desire to solve intractable foreign policy challenges or "get caught trying." However, a Hail Mary pass at this inauspicious moment

could actually entrench Maduro further and would likely frustrate already disillusioned Venezuelans key to a solution when the moment is riper. Indeed, Venezuela may call for a strategy of competent management and the maintenance of steady pressure rather than dangerous solutionism.

Attend to the Unfolding Humanitarian Disaster. It is difficult to find appropriate comparisons for the humanitarian disaster unfolding in Venezuela and the broader region. This is the most underfunded humanitarian crisis in modern history. For instance, while Syrian refugees have received the equivalent of \$3,150 per refugee, Venezuelans, by comparison, have received the equivalent of \$265 per refugee.⁴² The US is still the largest single provider of humanitarian aid to Venezuelan refugees. Recent donor conferences, however, have fallen short of expectations. If the United Nations appeal for 2021 is fully met, total aid, which currently stands around \$1.4 billion, will rise to \$3 billion. Compared to the \$20 billion of total aid allocated to the Syrian refugee crisis, Latin America and the Caribbean need a desperate infusion of cash. Aid should be targeted to encourage and defray the costs of further integration of Venezuelan refugees in host countries such as Brazil, Colombia, Peru, and others.

Monitor the Effects of Sanctions on Humanitarian Efforts. As the aforementioned GAO report notes, the US Department of Treasury should monitor for potentially negative humanitarian consequences of US sanctions. By systematically tracking inquiries made to the call center, rather than just responding to individual inquiries, Treasury can more easily identify trends and recurring issues. The US should seek to correct any de-risking and ensure the reliability of the humanitarian exceptions built into its sanctions architecture. Fine-tuning sanctions should be the first impulse, rather than simply lifting them.

Avoid the Siren Song of Negotiations Until an Identifiable Set of Minimum Conditions Are Met. There have been many attempts at negotiation and dialogue with the Maduro regime—by some accounts, nearly a dozen—with limited progress and significant opportunity costs to the Venezuelan people. The Biden administration is right to keep US sanctions in place until minimum conditions for some kind of negotiations are in place. However, little consensus exists on what the minimum conditions would be for a negotiation with the Maduro regime, let alone the concrete steps the regime would need to undertake to meet those conditions. In fact, there is little agreement on what it would even mean to “resolve” the crisis. Major questions persist regarding the objectives, timing, process, trust-building measures, and the desire for partial, incremental, or full agreements.

Focus on the European Union and Regional Groupings to Bring More Pressure. While awaiting a more fortuitous diplomatic moment, the Biden administration should encourage the European Union to adjust its policy in a nod to reality. The EU’s current approach is riddled with inconsistencies, and the pressure setting is insufficient to meaningfully contribute to a negotiated solution. The US should establish a Venezuela sanctions coordination mechanism to discuss strategic issues and questions of compliance with the EU, which would guarantee consistency in enforcement and obviate embarrassing moments such as “Deleygate,” when Venezuela’s sanctioned vice president, Delcy Rodríguez, was permitted to land at Barajas Airport in Madrid. Additionally, elections in several countries throughout Latin America could alter the regional political composition, reducing the desire to push for a solution and vitiating the role of the Organization of American States in highlighting the Maduro regime’s destabilizing impact on the region.

Broaden the Diplomatic Tool Kit to Complement Sanctions. The Biden administration should employ non-sanctions instruments concurrently with US sanctions to achieve effective pressure on the Maduro regime. These instruments include legal referrals to international tribunals, such as the current case pending against Venezuela before the International Criminal Court; further development of the Responsibility to Protect doctrine; and anti-money-laundering mechanisms and resource certification regimes to deter the Maduro regime’s participation in the lucrative illicit economy.

Bolster Intelligence Capabilities. The incoming director of the CIA must conduct a thorough investigation of intelligence failures related to the Maduro regime's resilience and bolster US intelligence assets and capabilities in Venezuela. Two episodes best illustrate how untrustworthy US sources have become: the failed April 2019 uprising announced from La Carlota Air Base in Caracas and Operation Gideon, the failed 2020 amphibious invasion planned in neighboring Colombia by a sanctioned Venezuelan general.

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Mr. SIREs. Thank you to our witnesses today.

Now I would like to ask unanimous consent that Representatives Omar, Steube, Malliotakis, and Wasserman Schultz participate in today's hearing after all subcommittee members have had the opportunity to participate and question any of the witnesses. Thank you.

And now we will get into questions. I will start by asking questions to our members.

First, I would like to say that for years I have been saying that Russia and China participate in this Western Hemisphere in order to create anarchy, in order to destabilize governments, in order to play with our closest allies.

Cuba has a security apparatus in Venezuela. Russia has been selling arms. And one interesting conversation that I had with someone from the Colombian Embassy the other day told me that in 2019, 6,000 Russians visited Colombia. Last year, due to the pandemic, it dropped down to 3,000. The Colombian Government expelled three Russians recently.

I can only think that having Russians visiting Colombia, 6,000, Colombians not exactly a beach destination for the Russians, plays into this idea that Russia and China would love nothing better than to create chaos in the Western Hemisphere.

So I was wondering from our members, can you comment on that?

Anyone? Do not all answer at once. Just one.

Mr. Fonseca.

Mr. FONSECA. Chairman, I apologize. I thought when you meant members, that you were querying somebody else.

No, I could not agree with you more. I absolutely think one of the primary objectives, certainly of Russia, is to continue to sort of poke a finger in the eye of the United States.

Keep in mind that, as I mentioned, I think they find it incredibly valuable to have a geostrategic footprint near the U.S., and I think that is one of it. And oftentimes that sort of—this idea of reciprocity gets thrown into the discussion among experts that look specifically at Russian engagement in Venezuela, because oftentimes that reciprocity sort of pathways back to the pronounced U.S. footprint in Eastern Europe.

And so oftentimes in the past you have even heard rumors about the potential tradeoffs of maybe the U.S. kind of withdrawing its support in places like Ukraine in exchange for Russia withdrawing its support in Venezuela. And, again, for now, that is all been sort of hearsay, kind of listening to people on the ground.

But there is no doubt that, in the consciousness of Russia, having that geostrategic footprint is really vital, No. 1.

No. 2, I also think that—and this is inclusive of—by the way, that geostrategic footprint is also inclusive of China. Of course, the United States has a tremendous footprint in Asia, notwithstanding our support to Taiwan, our military access in South Korea, Japan, in broader sort of Southeast Asia, you know, U.S. influence.

But that is No. 1. So geostrategic value to having close proximity to the United States.

No. 2, they both have a tremendous interest in undermining sort of Western liberal order, undermining democratic institutions

around the world, and trying to strategically create space to sort of embrace their authoritarian political models.

I think that sort of lends itself to destabilizing the democracies around the region. And we have seen at times in the past Russia leveraging information operations in other sophisticated technology means to be disruptive and impact sort of the political stability of partners across the hemisphere.

So, Chairman, I could not agree with you more. I think China and Russia absolutely are intent on disrupting and undermining U.S. policy.

Mr. SIREN. Thank you.

I also think that we just do not pay enough attention to the Western Hemisphere. So if we do not pay attention, the Russians and the Chinese and all the other countries that are helping Venezuela fill that void that we have in the Western Hemisphere.

Dr. ARNOLD. Mr. Chairman, if I might add to that.

Mr. SIREN. Sure.

Dr. ARNOLD. I certainly associate myself with what Brian Fonseca just said, and I agree that the influence of China and Russia in Venezuela is counter to U.S. interests. But I think that one needs to separate the kind of involvement that the two countries have had. As Brian was saying, it is geostrategic, it is an opportunity for the Russians to mess around in what they call or what they consider the U.S. "near abroad" in the reciprocal kind of way that Brian was mentioning.

China's interests have been somewhat different. China is the largest oil consumer in the world. Venezuela has the world's largest known oil reserves.

And so the relationship has been heavily focused on oil extraction, and the \$62 billion in loans approximately are being repaid in oil and there has not been any new money for some time. And the loans that were given in recent years were simply to allow Venezuela to continue paying back the loans that had been initially given.

There is also, I think, the case that China has reached out to the opposition at various points trying to guarantee its long-term access to Venezuela's oil resources independent of the political leadership of the country.

So I see it as less committed to the survival of Nicolas Maduro and the regime overall and much more committed to the long-term survival of its interest in the oil fields.

Mr. SIREN. Thank you very much.

Now I will recognize Ranking Member Green.

Mr. GREEN. Thank you, Chairman. Again, appreciate your opening remarks and appreciate the witnesses' testimony. I thank all of them for being present and their participation today.

I think one of America's greatest challenges is China, and I am greatly concerned with their penetration into not only Venezuela, but all of Latin America. And my comments are really to the whole slate of witnesses, whoever wants to jump in.

In 2019, China specifically stated that the blackouts in Venezuela were because of cyber attacks from the United States, obviously a blatant lie.

One of my questions is, how do we confront this disinformation campaign from China in Venezuela and throughout Latin America?

Dr. BERG. Let me jump in on this here, Ranking Member Green.

As you well stated, the cyber attack claim, of course, is spurious. Largely, the blackouts were a cause of the fact that there was not only corruption, but a failure to maintain the power grid in Venezuela. And also something, quite simply, somebody did not bother to cut the vegetation around one of the main power plants outside of Caracas, and so that vegetation overgrew some of the power lines and ended up knocking off power periodically throughout 2019, as we saw.

This is an incredibly important question in terms of the disinformation environment. It is not just China. It is also Russia. It is also Cuba participating as well.

And I think in this sense, the United States can do its best to try to get reliable information to Venezuelans on the ground, to members of the opposition, in especially critical periods of time. We have seen the internet knocked off grid in really important periods of time around protests, around street pressure, around moments in time when the regime felt like it was quite vulnerable.

And so this is one of those areas that kind of flies below the radar, but is quite important in terms of our ability to help the opposition on the ground. Given the lack of political space in the country to organize, the reliable presence of the internet is absolutely critical.

Mr. GREEN. One other, sort of taking that a step further. It appears that ZTE, China's big telecommunications giant, has created ID cards for the Venezuelan people, which essentially do the same thing that their social score system does—tracks their behavior, monitors their actions, can dig into their checking accounts, all of this.

How do we stop that?

Mr. FONSECA. So, Ranking Member Green, I think it is an excellent question. I think it underscores the point of China as the real strategic competitor in the region. And Chinese tech proliferation has been growing rapidly certainly for the last decade or so.

The idea of the fatherland card, as you reference, is something that certainly we have been battling around in terms of how to—sort of how to combat that. In Venezuela perhaps it is very difficult to sort of overturn that.

But I think education, continuing to sort of dominate the educational space, not just in broader Latin America, but wherever we can sort of reach in and help educate consumers on the threats and challenges associated with China tech penetration.

It is important for us to disaggregate good from bad. Not all Chinese activities in the region I think should be seen through sort of a threat landscape. But I do think we have to provide education as tech penetration becomes more proliferated across the broader hemisphere.

And I think this is also consistent with what Dr. Berg was saying just a few minutes ago about information operations. The Russians are incredibly sophisticated in terms of their ability to effect impact on information operations. They also have an incredibly sophisticated and forward-leaning cyber capability.

In fact, lots of open reporting about that threat. In fact, the Atlantic Council's digital analytics lab has done some really good work on assessing information operations and putting out recommendations that can help undermine sort of the effect of those information operations.

And part of that is about sort of credibility of the source. The United States needs to remain credible as a source across the broader hemisphere. We have to ensure that our actions do not undermine our credibility, broadly speaking.

And I think we need to continue to point out and attack the credibility of Russia, and when China does it call them out as well, for proliferating just false information that affects the social, political, and economic landscapes across the region.

Mr. GREEN. My time is up. Mr. Chairman, I will go in second round.

Mr. SIRE. Thank you.

Congressman Castro, you are recognized for 5 minutes.

Mr. CASTRO. Thank you, Chairman.

This question is for Mr. Reyna.

First, thank you for speaking to our committee about the important work that civil society organizations like yours are doing in Venezuela.

I chair the subcommittee that handles international development policy, and so I want to ask you a question along those lines.

As you know, on February 11, Venezuela's opposition and Nicolas Maduro agreed to cooperate to purchase and distribute COVID-19 vaccines for 6 million Venezuelans. I think this is a positive step toward fighting the coronavirus pandemic in the country. And it has been reported that about 1.4 million doses of the vaccine will come from the World Health Organization-linked COVAX initiative, while the source of the rest of the vaccines is yet unclear.

So my question is, how can the United States help mobilize resources to ensure countries in need, like Venezuela, receive the appropriate amount of vaccines? And how can we ensure that there is a proper oversight and equitable distribution of those vaccines in Venezuela?

Mr. REYNA. Thank you very much for your question. I think this is really important.

One way in which it is possible to continue providing support in regards to health, and with vaccination particularly, is to support these efforts that the Humanitarian Aid Commission of the 2015 National Assembly has been carrying on and also being able to work with the Pan American Health Organization, as well as with the Health Department of Venezuela.

I think this is one example of possibilities that still exist to provide support. And the signing of this COVAX agreement is also a show of those possibilities. So we did have a previous agreement, now this COVAX one.

And the oversight and the mobilization to expand, on the one hand, and the oversight, one perhaps can be achieved through supporting the entrance into Venezuela of the World Food Programme with its logistical capacities.

We are seeing huge challenge there with issues, for example, of cold chain. And since our transportation infrastructure has been

also somewhat collapsed, as many other areas, then the World Food Programme can play an important role.

And in regards to oversight, we are proposing to follow the model that has already been in place since 2018 by the Global Fund for HIV, TB and Malaria, Pan American Health Organization, UNH, and Venezuelan civil society, again, with the Health Ministry, to followup on the provision and distribution of antiretrovirals.

It has worked well, with challenges, with difficulties. But that oversight has been in place. And there is a working group, monthly information, and followup of the results. Whenever there is a gap or difficulties, then these can be called by the activists on the ground doing that oversight.

So these are the kinds of perhaps mechanisms that would deserve looking into and supporting.

Thank you.

Mr. CASTRO. Thank you, Chairman, I yield back.

Mr. SIRES. Thank you, Congressman Castro.

Congressman Pfluger, you are recognized for 5 minutes.

Mr. PFLUGER. Mr. Chairman thank you for an excellent hearing on a very important topic. And to all of our panelists thank you for your time.

I have got a couple of questions. I will start with Dr. Arnson. Knowing that Maduro is—it will not sign any sort of deal with the World Food Program, unless he can control the distribution of that food, how do we as the United States in working with our, with our allies and partners in the region ensure that delivery of food gets to the people that need it the most and can prevent Maduro from controlling that distribution.

Dr. ARNSEN. Thank you very much for the question, Congressman Pfluger. It is an essential principle of humanitarian assistance that it must be given with neutrality and without any regard for the political affiliation of the recipient. Up until now, the Maduro regime has maintained tight control over food distribution through this program known as CLAP, through food boxes which are woefully insufficient. And it is a form of social control. And it is obviously reluctant to relinquish that form of control.

But I think what Feliciano was indicating is that on humanitarian issues involving health, there have been—there has been the possibility of reaching agreement between the opposition, the government working closely with civil society organizations.

I do not know what the magic formula will be to allow or to convince the regime to allow the World Food Program to operate. I suggested in my testimony that there might be some consideration given to relaxing U.S. secondary sanctions that would permit the import of fuel, gasoline, and diesel which are in short supply. I know that that is a controversial recommendation that we should not have to offer anything to Nicolas Maduro to get him to allow the international community to feed starving people.

I mean, we are talking about at a minimum 9 million Venezuelans who are either severely food insecure, or moderately food insecure, and that is the assessment of the World Food Program itself in 2020.

So I think that these humanitarian agreements that have been reached over COVAX, the kind of things with antiretrovirals that

Feliciano was mentioning, provide a kernel of hope that these kinds of agreements around food and food insecurity can also be reached.

Mr. PFLUGER. Thank you very much.

And now for Dr. Berg. My question is what are the consequences to the U.S., and the region, if this crisis continues and if these criminal groups are allowed to thrive? And, specifically, to our southern border, what is the threat with this crisis, continuing the number of refugees?

Dr. Berg, to you.

Dr. BERG. Thank you very much, Congressman, for the question. I think the crisis has region-wide impacts. As Dr. Arnson mentioned in her opening statement, the region is not poised to be able to absorb this level of refugees we have seen so far, about 5-and-a-half million. Remember that figure that I mentioned in my opening statement from the IMF that this could rise by 10 million by 2023.

And so the numbers of people and the pace which they are exiting the country is still unabated. And this really has dire consequences, not only for the stability and security of the region, but the future economic growth of the region. Many countries have difficulty not only absorbing this number of refugees, but also—look at a country like Colombia, it has taken the very commendable step of including about 1.7 million refugees into its, into its legal ranks. About 1 million of them will be affected by the temporary protective status that they granted to them.

But that is going to be a Herculean undertaking, which the United States can help with because many of us do not believe that countries in the region have the capability to absorb these types of numbers on a bureaucratic level, on an economic level, on a political level. There are political ramifications as well. We have seen in some places, despite the fact that the region has had a pretty welcoming stance, a rise in xenophobia.

I mentioned Colombia before. I looked at a poll the other day that said that a clear majority of Colombians were actually against the move by Ivan Duque to allow temporary protective status for Venezuelans in the country. So the regional cohesion here is at stake as well.

And the last thing that you mentioned is a migratory crisis that could push north to our borders. Again, we have seen a lot of refugees in South America. As I think the next waves start to come out, we might see more and more actually traversing through Colombia, going up into Panama and into Central America, certainly more so than they are now.

And, lastly, Congressman, if I can just go back to the question that Dr. Arnson answered previously about the neutrality principle and humanitarianism. Obviously, it is absolutely critical. I think that there is one cautionary tale here, and that is the agreement that was signed last summer to bring in personal protective equipment and COVID PCR tests, which were very quickly, sort of, confiscated by the Maduro regime. They were not actually spread around the country in the way that the agreement stipulated. And the opposition since has been crying foul about it. And with the re-

gime in control of those resources, there is not much we can do at this point.

Mr. PFLUGER. Thank you very much.

With that, I yield back.

Mr. SIRES. Thank you.

Congressman Andy Levin, you are recognized for 5 minutes.

Mr. LEVIN. Thank you so much, Mr. Chairman, for holding this important hearing. To our panelists, thank you. I am going to try to ask a number of questions, so I ask you to try to be brief in your answers.

A February GAO report, which I requested along with the full committee back in 2019, found that U.S. sanctions, particularly those on the oil industry, have likely contributed to the steep decline of the Venezuelan economy and suggested steps that the Treasury Department and other agencies could take to mitigate the humanitarian impacts of sanctions, which some of you have addressed very movingly.

Mr. Reyna, what recommendations do you have for the U.S. Government regarding how it could provide clear guidance for financial institutions or take other steps to minimize any second-order impacts of sanctions on the operations of humanitarian organizations that are doing their best in this situation?

Mr. REYNA. Thank you very much, Congressman Levin. We really welcome that report. We think it offers information that is quite important, because one may think, you know, of the impact of sanctions on issues that were already deteriorating. But to us, what is of serious concern today is impact on the Venezuelan population. And, certainly, there is some that can be—work differently.

But what we have had sometimes is conversations with Treasury, for example, to give precise examples of how sanctions can put obstacles and restrict the work of organizations. I think that is—you know, having those conversations, even before imposing certain types of sanctions made—would have made sense and still makes sense to talk through them.

One issue that we have faced, for example, is that—and we understand Treasury cannot impose, for example, they say issues on operations of the banking system, let's say. But they can offer certainly a more decisive kind of advice in order for, you know, the system not to prevent us from carrying on our humanitarian work, our accompanying, for example, victims of situations of lack of access to food or health.

So I think that this requires perhaps sitting down, looking at particular issues and seeing how to solve them. Licenses, for example, when we were looking at them, they might take from 18 months to 24 months to get. So, again, it is not even having license to get them for organizations such as ours here on the ground. So, you know, thank you for your concerns then.

Mr. LEVIN. Yes, I tell you what, we will be a partner with you in trying to work with the administration to help you do your work, basically. It is so important.

Mr. REYNA. Thank you.

Mr. LEVIN. Yes, the Trump administration strategy toward Venezuela relied on maximum pressure betting that sanctions would lead to a quick transition to democracy. But here in March 2021,

Maduro's grip on power appears stronger than at any point since 2019. It seems that in order to work toward a democratic transition, the U.S. will need a longer-term strategy.

Dr. Arnson, it is good to see an old friend. Given reports that the Biden Administration is reviewing its sanctions policy in many parts of the world, can you talk, specifically, about sanctions you think should be reassessed or advised, or how should we look at this in more detail than you may have gone into earlier?

Dr. ARNISON. Sure. Well, I would say that it is certainly not in the cards for the United States to be unilaterally lifting certain sanctions. But as I said in my statement, they do convey enormous amounts of leverage. The question is how they can be used in a back and forth to require verifiable steps by the Maduro government in exchange for certain forms of sanctions relief.

Now, that implies that the government is actually interested in that kind of sanctions relief. There may be—it may be the case that they are more interested in the lifting of criminal indictments or, you know, the lifting of these individual sanctions that have frozen bank accounts and prohibited them from traveling to the United States in the case of the EU to the European Union.

But I think it is very positive that there is a recognition at this point that the campaign of maximum pressure actually did not achieve the—either the democratic opening or the regime collapse that was hoped for. And, therefore, a different approach is needed. And I think that those consultations are under way and should be encouraged.

And sanctions are, you know, an instrument in the, in the toolkit. And the United States has, because of the economic sanctions against the oil sector, the financial sector, and secondary sanctions on those who also trade with PDVSA and other Venezuelan entities give us tremendous leverage. And we should explore, you know, what combination of concession and sanctions relief should be desirable.

Mr. LEVIN. All right. Thanks.

Mr. Chairman, I see my time is up. Great hearing, and I yield back.

Mr. SIREN. Thank you, Congressman. We now recognize Congresswoman Salazar from Florida for 5 minutes.

Ms. SALAZAR. Thank you, Chairman. Wonderful to be here. And it is such an important topic for the Americas, and I thank the witnesses for their time and their expertise, specifically, Dr. Fonseca who is one of the most prominent scholars in my district. So wonderful to have you here.

I just want—I have a different type of questioning, and I would like to start with Dr. Fonseca just to take this to a more basic or granular topic where reality is more crude, and it is more understood. So, I am going to have—I am going to do ten questions, and I would like you to just answer yes or no if it is possible. Is it true that Venezuela went from being one of the richest countries in the hemisphere to one of the poorest?

Mr. FONSECA. That is correct.

Ms. SALAZAR. Is it true that inflation right now is over 4,000 percent?

Mr. FONSECA. That is correct.

Ms. SALAZAR. Is it true that the Venezuelans can only go to the supermarket a few days a week because there are no goods on the shelves?

Mr. FONSECA. In most places, that is absolutely correct.

Ms. SALAZAR. And is it true that the average Venezuelan has lost more than 50 pounds in the last 20 years because of lack of food?

Mr. FONSECA. That is also correct.

Ms. SALAZAR. Is it also true that Venezuela is empowering Hezbollah, the terrorist group, and that the United States has indicted members of the Venezuelan Congress just like if one of us were participating or working with the terrorist group Hezbollah? We know who that person is or who that group is. Is that true?

Dr. Fonseca, did you hear me.

Mr. FONSECA. I am sorry. I was muted. Yes, that is correct.

Ms. SALAZAR. The dog has gone away.

Is it true that the Venezuelan is empowering—the Venezuelan Government is empowering the terrorist group Hezbollah, and that the United States indicted a member of the Venezuelan Congress for working with Hezbollah.

Mr. FONSECA. That is true.

Ms. SALAZAR. And is it true that Venezuela is becoming a major hub for drug trafficking? And that criminal organization is their only—their only purpose is to harm the United States?

Mr. FONSECA. They are absolutely a major hub for drug trafficking.

Ms. SALAZAR. And is it true that Maduro's representative or the repressive apparatus is controlled and directed by more than 30,000 high-ranking Cuban agents like Ramiro Valdes, and they control even the Venezuelan customs office and the passport issuing office?

Mr. FONSECA. There is absolutely a heavy presence. And I know you wanted a "yes" or "no," but I am not sure that the numbers are what I am seeing as high. I think to your point, they still play a really vital, vital role in fire-walling the regime and absolutely have an important presence around Maduro, ensuring the survival of the regime.

Ms. SALAZAR. And the Maduro is blocking at this hour the aid for food and medicine that, we, the United States are offering to give to them so they can help their people? They are blocking it and denying it?

Mr. FONSECA. That is right, yes.

Ms. SALAZAR. And, finally, is it true that 20 years ago, Hugo Chavez promised in an interview to yours truly that he was going to establish democratic socialism of the 21st century for the Venezuelan people?

Mr. FONSECA. Yes, I recall that interview well, and yes, he did.

Ms. SALAZAR. Thank you. Now, my question to you and to the rest of the panel is to what can we do as a country to help the Venezuelan people?

Mr. FONSECA. I think, you know, one, we have to continue to apply pressure and, again, look for ways to allow access for vital humanitarian assistance. I think we also need to continue to reassure and support Venezuelan neighbors and those in the region that are having to absorb millions of Venezuelans fleeing the coun-

try. I think it should be noted that the—that the millions of Venezuelans fleeing the country are another really important release valve that allow the regime to muddle through by having to, you know, sort of having fewer mouths to feed in the country with an economy that continues to sort of move in a death spiral. And so I think that——

Ms. SALAZAR. If there is one single thing that we could do as a country to help the Venezuelan people, what would that be?

Mr. FONSECA. Continue to apply pressure. I do not—unfortunately, I do not see a short-term——

Ms. SALAZAR. What type of pressure? What type of pressure?

Mr. FONSECA. I think we need to continue to apply diplomatic and economic pressure. We need to continue to press for the admission of humanitarian assistance in to support those—and, again, I think we need to—I know you asked for one, but I also think we need to shore up our allies and partners in the region——

Ms. SALAZAR. I only have 50 seconds. Why do not you let me—Dr. Arnson answer. If there is one single thing we can do as a country to help the Venezuelan people, what would that be?

Dr. ARNISON. It would be to work closely with our international allies, with the Venezuelan opposition, and with a broad range of actors in civil society that can come together around a common agenda, first, for humanitarian issues, and then eventually to tackle some of the more difficult political and security challenges.

Ms. SALAZAR. Dr. Berg, one thing in 13 seconds. What could we do as a country to help the Venezuelan people at this hour?

Dr. BERG. Thank you, Congresswoman. I would say to reiterate what Mr. Fonseca said, the pressure is, obviously, key. It has to be multi-dimensional. As I mentioned in my opening remarks, it is not just sanctions, but sanctions and—and Congresswoman Levin asked a great question, previously, about sanctions and targeting. I think we can look at targeting and look at——

Ms. SALAZAR. What does targeting mean? I only have 14 seconds. One thing. What does targeting mean?

Dr. BERG. To look at the actual targets of our sanctions. The people on whom we are putting sanctions. The theory behind the maximum pressure campaign was that sanctions would be enough to dislodge Maduro. But unfortunately the targeting of those sanctions has not been on actual military figures whom we all believe to control the security apparatus on the domestic level.

So looking at targeting when it comes to our pressure will be key, Congresswoman.

Ms. SALAZAR. Thank you.

I yield back. My time is up.

Mr. SIRES. Thank you, Congresswoman.

Congressman Vincente Gonzalez, you are recognized for 5 minutes.

Congressman Gonzalez, are you on?

Congressman Vargas, are you on?

Mr. VARGAS. Yes, I am.

Mr. SIRES. You are recognized for 5 minutes.

Mr. VARGAS. Thank you very much, Mr. Chairman. Can you hear me? This is Juan Vargas.

Mr. SIRES. Okay, Juan. You are on.

Mr. VARGAS. Thank you very much, first of all, Mr. Chairman, for having this hearing, and I also want to thank the ranking member and all of the witnesses.

Two things jump out at me in this hearing, one, our failure with humanitarian aid. That seems to jump out when I hear statistics that Syrian refugees have received, literally, almost ten times as much aid as have Venezuelan refugees, that is one.

And, second, our intelligence failures. It seems like that we believed that one thing was going to happen with sanctions and maximum pressure, and then it did not come about.

So I can start first with humanitarian aid. I am very concerned about not only internally displaced people, but, of course, refugees, also. How can we work better with the allies that we have all been talking about, both in the region, European allies as we have said earlier, how can we work better with everybody to have a better result? Because the result right now is disastrous.

I would ask that of Dr. Arnson.

Dr. ARNISON. Thank you very much, Congressman, for the question. I think that the United States certainly can contribute more of its own resources, but there are other ways to continue to mobilize the international community. There have been donors' conferences convened by the European Union. We should press for more.

They, of course, are dealing with their own influx of refugees from Syria, from Afghanistan, from other parts of the Middle East and Northern Africa, and it is a complicated situation there as well. But we could also look to mobilize more contributions by the U.S. private sector and work in partnership with other organizations like the DFC to provide employment opportunities on the ground for Venezuelan refugees and host communities in the region.

Mr. VARGAS. I guess I am also very concerned about the food insecurity, in particular. I mean, I have great respect for the United Nations Food Program. As you know, they just won the Nobel Peace Prize for all the work that they are doing. But at the same time, they alerted us to all the millions of people in this world who may starve this year because of COVID and other issues.

How can we work with the U.N. better knowing that what the Maduro regime has been doing to manipulate the food distribution because they want to do it? What can we do? I am very concerned about that.

Dr. ARNISON.

Dr. ARNISON. Yes, well you know, you have hit the nail on the head. I mean the greatest source of—the greatest obstacle to greater food assistance by the international community is precisely Nicolas Maduro and the rest of the Venezuelan Government.

The United Nations has dramatically expanded its footprint in Venezuela over the last 2 years. There are a variety of U.N. agencies that are on the ground, the Office of Coordination of Humanitarian Affairs, OCHA, the—UNICEF and others. This does not include at this time the World Food Program.

And I would note that, you know, there have been numerous efforts to take the issue of Venezuela to the U.N. Security Council. Most of those have served to just reproduce the polarization be-

tween the United States on the one hand and Russia and China on the other. But in bringing the humanitarian issue to the Security Council that did provide an opening—and there was agreement on providing this greater opening for U.N. agencies to have a presence.

So the bottom line is, you know, how do you force people to do something that they do not want to do? It is very difficult. And so the question is can you offer them something which is not violating of your, you know, basic principles? Can you offer them anything in exchange?

Mr. VARGAS. If I can just interrupt the last few seconds that I have. What about the intelligence failure? Why have we gotten it so wrong?

Dr. ARNISON. Is that a question for me?

Mr. VARGAS. Yes.

Dr. ARNISON. Theories of political change are multiple. And there was the sense that by tightening the screws enough, you can create fractures in the regime, you can cause the military to divide. There were all kinds of ways in which, you know—there was the assumption that the Maduro regime would implode or cry uncle and agree to the kinds of things that the United States and others wanted, including, you know, the Venezuelan opposition and the majority of the Venezuelan people. And that theory of change has proved false.

And so I think it is to the credit of the Biden Administration that they are now looking at alternatives and looking to see what, if any, kind of, you know, negotiations that involve the opposition, that involve this big tent, civil society, you know, organizations, academia, unions, et cetera, can collectively pressure for some real change.

Mr. VARGAS. Thank you. My time has expired. I yield back. Thank you.

Mr. SIRE. Thank you, Congressman.

Congressman Gonzalez, are you on the line.

Mr. GONZALEZ. Yes, sir. Thank you.

Mr. SIRE. You are recognized for 5 minutes.

Mr. GONZALEZ. Sorry, I had some technical difficulties there for a second. But my question is, there is—you know, American companies have seen their investment severely affected by the crisis in Venezuela. And while Venezuela's oil capabilities have severely decreased, some energy companies have played a crucial role in preventing the total collapse.

How can Congress work with the private sector to protect American investment in Venezuela? And how can the private sector assist us? I chair the Oil and Gas Caucus for the Democratic Party. And I have a pretty good relationship with some of the energy companies that are down there. And they seem to have—talk about intelligence failures, they seem to have a lot of intelligence, and they seem to know a lot about what is going on. How could we better work together, or are we—and it just has not been working out—to both protect our energy investments in Venezuela? And how can they assist us in structuring policy?

Dr. BERG. Congressman, if I can jump in on this one. It is a great question. So we have seen a lot of American companies and American investment in Venezuela affected by the Maduro regime, and

its operations. I think—you and I are both observing energy companies, for example, trying to operate under extremely difficult conditions, under conditions where they do not have proper partnership from PDVSA with which they have to partner as a condition of being able to operate in the country.

But there have been unique approaches by some American oil and gas companies to operate, basically, with the attempt of putting proceeds from those operations in say an escrow account or some way of sort of syphoning it off or kind of bracketing it off to the side and ensuring that a lot of the proceeds from that activity does not actually flow to the Maduro regime and the funding of that repressive security apparatus.

And so there are creative ways in which we can think about keeping American investment there and keeping a footprint on the ground, as Mr. Fonseca said in his opening statement, while also ensuring that that money is not actually fuelling and funding the repressive apparatus there.

Mr. FONSECA. Congressman, can I make one brief addition. Again, I could not agree more with Dr. Berg. And I do think we need to create space for the American private sector to out-compete Russia, China, and others and gain some access back on the ground. I cannot underscore how important, I think, to unleash the American private sector, and how that can provide consequential long-term influence in aid in ushering democratic transition at some point.

The U.S. could consider the issuance of specific licenses to American companies engaged in sort of an oil for food medicine, rather than, you know, their removal of sectoral sanctions in the near term. I think this would give the American private sector some access on the ground, as well as possibly help alleviate some of the humanitarian pressures.

One of the things I am most concerned about is the September 2020 Anti-Blockade Law that was passed. I think Venezuela in the near-term is going to be going, Maduro is going to be going through the process of privatizing major Venezuelan assets. And I think our adversaries are going to move in and try to consume those assets. And it might be very difficult to get them back at some point in the future, even if the hand or the pendulum swings back to the opposition.

Mr. GONZALEZ. That is just a huge concern.

Dr. ARNISON. Could I just add to that? I mean, I think what Brian Fonseca said nature earlier, of course, that nature abhors a vacuum is really true. And if U.S. companies, particularly, in the oil sector, and mostly in the oil sector are prohibited from producing, even if those assets go into an escrow fund or some other mechanism that is verifiable that does not benefit the regime, they are going to be taken over.

And, you know, I think one of Maduro's survival strategies is going to be, over this next year, precisely to privatize PDVSA assets and other government assets and look for international companies to step in and run them. And we know exactly who those—who will be eager to acquire a greater share of the economic price of the country.

Dr. BERG. Congressman, if I can just jump in here really quickly and piggyback on what Dr. Arnson said.

One thing that I think the regime is looking at here is that during this—the political and economic crisis in the country, there are sort of three types of crudes within Venezuela: Light, medium, and heavy. The heavy crude is largely produced in conjunction with the private sector and with international companies. And that has been, if you look at the oil output in the country, some of the least affected as compared to medium and light crudes, which have been some of the most affected. And that is entirely basically produced by PDVSA the State owned oil company.

So I think the regime is looking at this very clearly and saying, as Dr. Arnson mentioned and Mr. Fonseca, privatization might be the way to go here in terms of being able to increase productivity, because PDVSA is essentially beyond repair in terms of its ability to actually maintain the rigs and contribute to an uptick in oil production in the country.

Mr. VARGAS. Thank you so much. I yield back.

Mr. SIRES. Thank you.

We now recognize Congressman Steube from Florida for 5 minutes.

Mr. STEUBE. Thank you, Mr. Chair. And first I want to thank you for allowing members who are not on the subcommittee to ask questions. I appreciate that greatly, as these issues affect state of Florida that I represent in my district.

My questions are directed to Mr. Berg. President Trump signed an order on his last full day in office which defers deportation of some 145,000 Venezuelans for 18 months. Venezuelans who are eligible for deferral can continue to live and work in the United States. Some of those included under the TPS program. President Trump blamed the Venezuelan socialist government and President Maduro for quote, “The worst humanitarian crisis in the Western hemisphere in recent memory,” Secretary of State Blinken even called Maduro a brutal dictator.

The shortage and basic goods in medicine has forced these Venezuelans to flee the country. As a member of the Florida delegation, I know there is a significant number of Venezuelans in my State. What do you think the Biden Administration’s plan should be regarding President Trump’s order that he signed on those last days in office?

Dr. BERG. Thank you for the question, Congressman, as I understand it, the deferred enforced departure was signed on the last day, but the details were left to the Biden Administration. And so from that standpoint, I would certainly encourage the Biden Administration to—not only to implement but to work out the exact details of the stay, the duration, the documentation, as well as the work permits. Because it is not in the United States’ interest to send back Venezuelans to, as we have heard today at this hearing, to humanitarian disaster and a brutal dictatorship.

I would also note that there is a real economic opportunity here with the number of Venezuelan migrants we have in the country. Numerous reports of late have shown just how educated, how entrepreneurial, and how dynamic this diaspora is. And so I think from an economic standpoint, particularly, from your state’s stand-

point where there are quite a few Venezuelan refugees, it could be a huge economic boom if done the right way.

Mr. STEUBE. Well, Maduro has strengthened ties with—and it has been discussed already in this committee hearing—with Russia, China, Cuba, and Iran for political, economic, and military purposes. These malign, external actors prop up the regime and perpetuate the ongoing humanitarian crisis despite U.S. sanctions. What steps can the international community take that complement or support U.S. efforts to counter-support from these external actors to the regime?

Mr. FONSECA. Congressman, I can take a shot at that, if that is okay. I think that is absolutely right. I think one of the things the United States, you know, needs to continue to place pressure and leverage our allies, multilateral organizations to continue to pressure, specifically, China, Russia, Iran, Turkey, and Cuba for the activities they are doing on the ground to, you know, keep the regime sort of muddling through, as well as, you know, not sort of contributing positively to alleviating the humanitarian crisis. I think we definitely need to do that.

And to sort of build off of a comment, you know, that we made earlier, collectively, not having a presence on the ground allows our, you know, our adversaries, our rivals, you know, to certainly, you know, run, you know, run fairly rampant throughout the country. And so I think we need some presence back on the ground, not just sort of intel collection, but also to occupy influence space.

Mr. STEUBE. What steps can the U.S. take to counter efforts from State actors, like Iran and Russia, to support the regime in evading U.S. sanctions, Mr. Berg?

Dr. BERG. Great question, Congressman. I think one of the things that we have seen here is the regime's head-long plunge into the illicit economy, specifically, as the sources of legal activity in the country have dried up.

And so I have outlined a number of recommendations, both in my oral testimony, my written, as well as in other places about certification regimes, for example, that we could—we could seek when it comes to parts of the illicit economy such as gold mining, which are very easily sort of brought into the legal economy through a number of maneuvers in countries like Colombia and in Brazil.

And so those certification processes will be key. And a lot of it is just about pressure, as has been mentioned many times here, is that we have quite a bit of leverage, and we would be wise to use it for the right purposes here rather than squandering it.

Mr. STEUBE. The Chinese Communist Party has helped the Madura regime evade U.S. sanctions and is one of regime's main financial backers and has more recently delayed Maduro's debt repayment in exchange for some shipments of oil.

What does the Chinese Communist Party gain from involvement in Venezuela, and how does it reflect the nature of the Chinese Communist Party's influence in other parts of the region?

Dr. BERG. Congressman, I think that China's role in, in Venezuela, as Dr. Arnson mentioned earlier, it started as a transactional economic relationship. It has now evolved into more of a geopolitical and possibly even strategic partnership. And so I know that there has been mention of the fact that there are no new loans

that have been given to the country since 2017. But the fact is of the more than \$60 billion in loans that were given since 2007, there is still a reasonable amount of that money that is outstanding.

And so as long as China is bearing the burden—as long as Venezuelan debt remains in arrears, China in some sense is carrying the burden of this country's collapse. But nevertheless, I think for China, Venezuela at a standstill and therefore as a major liability and potential strategic threat for the region is actually to China's advantage in this broader geopolitical rivalry than a Venezuela working toward a democratic transition, possibly giving the United States an increased position or boost in their region.

Mr. STEUBE. Thank you, Mr. Chairman.

Mr. SIRES. Thank you.

We now recognize Congresswoman Omar from Minnesota for 5 minutes.

Ms. OMAR. Thank you, Chairman. Thank you for allowing me to come and be part of your committee. My colleague, Ms. Salazar from Florida asked her questions to everyone except the panelist who lives in Venezuela.

So, Mr. Reyna, I would like to give you a chance to address her question.

Mr. REYNA. Thank you very much, Congresswoman Omar. Perhaps not in just one issue, I have to say that aid has been coming in, not of course in the numbers that is needed. But just in our case as a small organization on the ground, in 3 years, we have brought in over 180 tons of aid and have distributed, just last year, 86 tons of aid in terms of medicines, medical supplies, and so on.

My position here and my recommendation has been to engage in spite of all the reservations with some key actors within the Maduro government, as well as to continue working, for example, with the National Assembly of 2015 commission on humanitarian aid to increase the number of aid, I mean, the amount of aid coming into the country.

I think that if one looks at the humanitarian situation and humanitarian impact on the lives of everyday Venezuelans, this is a must. And so I thank you for this, but I do believe that it is possible. We have been able to do this in spite of challenges, risks, and threats, and even having some of our personnel and colleagues going through, you know, difficult, risky situations, but we are still here, and we believe that this is possible. And once again, that engagement to me requires flexibility and creativity, but it is a must if we want to help the Venezuelan people.

Ms. OMAR. I am really grateful for the opportunity to hear directly from you. It has not been lost on me sitting here, hearing my colleagues engage on Venezuela and not having a single question addressed to you. So thank you so much.

I am hoping that you can expand on a couple of points from your testimony. As you outlined the situation in Venezuela is dire, people are going without food and medicine. And, obviously, to many of us, you know, we believe that we cannot allow people to continue to suffer because of our own domestic policies.

Can you tell us how your work has been impacted by the canceling of licenses for oil-for-diesel swaps, and what other sanctions

are proving to be significant barriers to the humanitarian response?

Mr. REYNA. Thank you. That is—there is one issue in particular that I think that is—that can be solved, I think, quickly, also, as a show of good faith between both the U.S. administration, the Biden Administration, and hopefully having bipartisan support, and the Maduro government. And this is lifting the sanctions on secondary—in the secondary sanctions on the swaps of oil for diesel. And this has quite an impact again on the population.

The committee, the human rights committee in one of the States of Venezuela working with the anticorruption network stated very recently, this was just last month in February, Venezuela began 2021 with a severe shortage of diesel, the fuel used to transport heavy cargo, food stalls for public transportation, and turbo electric plants. Essential groups report diesel distribution failures since the end of 2020. For the agricultural sector, this has brought paralysis on the field. And they go on with other issues regarding that—this in particular.

I think it would be quite an important step to lift the sanctions on the oil for diesel swaps and open a conversation, also in having the World Food Program coming into Venezuela with their capacity.

Thank you.

Ms. OMAR. All right. And, then, just my last question to you—again grateful for the opportunity to ask these questions. How is the political stalemate between Maduro and Guaido impacting your ability to do your work and just the lives of Venezuelans since you are the only Venezuelan on this panel?

Mr. REYNA. Thank you. I think that given the principles of humanitarian action, you know, we have worked in our own space, let's say, even though we have had, of course, conversations, for example, again with the Commission of Humanitarian Aid of the 2015 National Assembly, which is really important. I mean, if the aim is to help, it is to support the Venezuelan people suffering the consequences of the humanitarian emergency, that should be the consideration.

So we have not been involved in the political conflict. It has to be solved. It needs to be addressed, definitely. But, certainly, we can find ways to have sort of a two-track kind of work. And the one that goes toward supporting the Venezuelan people suffering severely the consequences of the emergency can be worked out again, and we have shown that, a civil society organization is on the ground.

Ms. OMAR. Thank you. And, Chairman, I yield back.

Mr. SIRES. Thank you, Congresswoman.

Now, we will recognize Congresswoman Malliotakis. You are recognized for 5 minutes.

Ms. MALLIOTAKIS. Thank you, Mr. Chairman. I want to thank you for allowing me to participate in today's subcommittee meeting. And I have really have found the exchange to be enlightening and a good discussion.

You know, for me, it is heartbreaking to see how the wealthiest country in South America has been destroyed by corruption and socialism. People—and let's make it clear that the people of Ven-

ezuela suffer because of their own government, not for any other reason. And as a Cuban, the daughter of a Cuban refugee, it is all too familiar to me, because it is very similar to what happened in my family. But we have an obligation as the leader of the free world to help the Venezuelan people.

And I look forward to working with the people on this committee to achieve that.

I was pleased when the Biden Administration recognized Juan Guaidó as the leader of the Nation. And—but I am—I am I guess a little upset about his announcement to reenter the United Nations Human Rights Council without having any type of concessions. And, as you know, last week at the first day of the session of the U.N. Human Rights Council, it was Nicolás Maduro who was given a platform to speak.

One of the—one of the biggest violators of human rights was given a platform to speak at the United Nations Human Rights Council. And I think we have an obligation to speak out against that.

And I would like to know from the panel their thoughts on how we can utilize the leverage of President Biden wanting to return to the council, and how we should be using that as leverage to try to get some accountability and to protect the human rights of not only the people of Venezuela, but of the nations that have propped up Venezuela, like Cuba, like Iran, like China, like Russia? That is my first question.

And the second question is, in terms of it is good to have verbal support for Guaidó, but what actions, specifically, do you think we should be taking as a nation to support him? Thank you.

Dr. BERG. If I can jump in on the U.N. Human Rights Council question, that would be great. Congresswoman, that is a great question. And this exactly—this shows exactly the linkages that I mentioned in my opening statement. It was precisely the support of other authoritarian regimes, also, on the human rights council, like China, like Russia to be able to help Venezuela win from the South America region when there were really no other sort of competitors for those, for those seats on the human rights council.

It was a total disgrace that Nicolás Maduro and his envoy in Geneva are giving the world lessons on human rights protections. So I absolutely share, your—your concern. And as a matter of fact AEI has done a report on reforming the U.N. Human Rights Council, which includes a number of things, actionable things that should happen before the U.S. sits in that body again. So periodic reviews of members that are on the council. So a kind of policing of one another to make sure that the body does not become a rogues' gallery of suspect States.

More competitive elections. In many cases, we have elections where there are really only a few countries on the slate for—to represent their region. And so you have countries like Venezuela able to slip through because it has the support of greater powers, but also it just does not face that much competition. We have to increase the level of interest here, I think, in terms of the desire to sit on this body, and part of that is going to be shoring up its reputation.

And, last, I would mention that there should be some sort of review, I think, before you are even eligible to put yourself forward for membership in this body that you sort of—you comply with basic human rights standards. Because as we have seen, quite a few candidates in U.N. Human Rights Council elections have been extremely suspect. And so those are three sort of tangible things that I would throw out there right away.

But I absolutely share your concern that Maduro and his envoys were given time in Geneva to present last week.

Ms. MALLIOTAKIS. Please send me a copy of your report. I would like to read that. Thank you.

Mr. SIRES. I recognize now Debbie Wasserman Schultz. A tireless defender of Venezuela, and of human rights of Venezuela, for 5 minutes.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman, and thank you for your indulgence in allowing me to moonlight as member of your subcommittee on the House Foreign Affairs Committee.

Some of you may know that I represent the largest concentration of Venezuelans in the United States. My home town has so many Venezuelans that its nickname is West Venezuela, and proudly so. In my own neighborhood we are surrounded and are mixed with friends and neighbors who have family in Venezuela who have themselves fled from Venezuela. I have heard harrowing experiences shared with me repeatedly, a fight from political persecution, businesses confiscated, denial of basic food, or lifesaving medicines. And so making sure that we shine a spotlight on this plight is really critical.

I want to ask Ms. Arnson and Mr. Reyna if they can talk briefly about the relief that declaring temporary protective status for Venezuela would provide the Venezuelans and the United States who fear deportation. And, specifically, if you could address why TPS, which is a legal protection that is based in statute offers better protection than DED, which was haphazardly declared in the last 16 hours of the previous President's term.

And making sure, you know, from my perspective, I have been pleased to see as I—that President Biden has clearly indicated his plans to declare TPS for Venezuelans. And if you could share with us your perspective on the difference and why TPS would be preferable.

Dr. ARNISON. And I do not know if Feliciano wants to go first. Congresswoman Wasserman Schultz, I am not an expert on U.S. immigration law, but I think that, you know, what you have indicated in your question is true. That temporary protected status gives much greater certainty to Venezuelans that they will not be deported, but they will have not just a temporary stay of deportation, but also a number of rights to work in the United States and to have a life until such time as they may choose to return to Venezuela when the country is in a dramatically different circumstance.

The deferred deportation is exactly that. It says we will not deport you. But there are many other things that go with being able to survive and live a productive life in the United States. And I think that Congress has on numerous occasions, in a bipartisan way, endorsed TPS for Venezuelans. And I would certainly support

that and hope that the Biden Administration will follow through on its commitment which it made repeatedly during the campaign.

Ms. WASSERMAN SCHULTZ. Thank you. Mr. Reyna.

Mr. REYNA. Yes, thank you very, Congresswoman. I agree with Cindy that any status that would grant more rights to people in the United States who have migrated forcefully from Venezuela and who if coming back would really face, you know, difficulties, it is—it is the right way to go.

So again, without having the total knowledge of the migration situation in the U.S., I understand from what I have read, from what I heard from colleagues that TPS would be the proper way to go. Thank you.

Ms. WASSERMAN SCHULTZ. Thank you.

And Mr. Reyna, I know earlier you spoke about the need for the donor community to step up globally. I am a member of the Appropriations Committee, and you know, as I said just moonlighting on the Foreign Affairs Committee today, but I curious about what more the United States should be doing. Particularly, where should we be focusing our efforts, our funding efforts within Venezuela, as well as neighboring countries like Colombia who has taken in, you know, significant refugees and migrant populations and also maybe throw in what about the rest of the international donor community?

Mr. REYNA. Thank you. I believe that, again, in seeing the numbers and the extent of the situation here that there is room for much more. There are reservations because of the political situation and manipulation, for example, of humanitarian aid. But this is a risk I think that has to be taken, unfortunately, because such is the situation in Venezuela, and that does not mean that one cannot overcome, for example, a narrative or propaganda, or something like that. It can be done.

And at the end, the end result is really supporting a popular [inaudible]. I think that there are others who should be coming in. Again, perhaps in a multilateral kind of reflection on the obstacles in Venezuela, why, and how to overcome. It would be possible to increase the amount of resources that are coming in. Working through the U.N. system is one way, is an important way both inside and outside of Venezuela, but also directly to civil society as has been happening so far, but perhaps this can be increased.

And so are different ways in which I am quite sure that international cooperation can be increased in the case of Venezuela. Again, looking at the numbers with other countries in need, it really does not make any sense to see why is it that Venezuela is not receiving all the funding that it should receive for humanitarian aid.

Thank you.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman. I yield back.

Mr. SIRES. Thank you, Congresswoman. We have votes at 12:15, so we are going to go for another 10 minutes. The ranking member and I will have one more question.

My question is to you, Mr. Reyna. Mr. Reyna, the reason you are a guest of our committee is because we recognize the work that you

do inside of Venezuela. We recognize the risk that you take all the time.

So as a recognition of your work and your effort, we want to make sure that we receive your thoughts here today at this committee. I happen to have visited Cucuta, Mr. Reyna, a couple of years ago. I have never seen anything like it. People from Venezuela work hours and hours just to get a meal. There had to be a line of about 5,000 people. There was a line for the bathroom for about 500,000 people alone. And there is a priest that through volunteers provides the meal for these people. I think that priest should be canonized because of the way he has organized and helped those people in that area.

I was just wondering if your organization is involved at all in trying to help this particular part of Colombia or Venezuela at all? Are you involved, your organization, or any of your members involved?

Mr. REYNA. Thank you, Chairman Sires. At Accion Solidaria, we are not working on the border, but we are part of the community of humanitarian organizations on the ground.

What you are describing really is for us—this is sort of a daily happening, and it is something that, that takes you know, our time fully in terms of—I mean, even today, we are having about 80 people at our doors receiving medicines donated, and this goes to about 1,400 to 1,500 per month. But we do have a large network.

Some of the organizations on the border towns are working with the UNHCR and others in order to provide support for the displaced, internally displaced, and then also working with others outside of Venezuela to provide support for refugees and migrants on the other side of the border. So—

And, again, I think, I really appreciate that you took the time to go to Cucuta to speak to the people and to see what they are going through. And, hopefully, also perhaps this would—you know, as I was saying, will lead to an increase in support, not only for what the response is here in Venezuela, but also in the region. We do need that.

And the organizations that are working outside in this platform called response for Venezuelans would really appreciate such support.

Mr. SIRES. Thank you, Mr. Reyna.

I now recognize the ranking member.

Mr. GREEN. Thank you, Mr. Chairman. I have heard throughout our discussion today something that made me think of a quote that I used to use when I run my healthcare company. I used to tell my physician leaders that, “No one cares how much you know, until they know how much you care.”

And I want to make sure that both the people of Venezuela who can hear my voice today, the international community and all of our witnesses, and we want to help. We want to help. We want to help the people of Venezuela who are suffering one the greatest humanitarian crises ever and, certainly, the greatest economic collapse ever.

But my concern is that if that assistance is funneled to and through the regime, it only empowers the regime’s leadership. One

example is Maduro's henchmen destroyed, literally destroyed re-supply convoys of humanitarian aid coming in from Colombia.

So my last and final question is how effective would relaxing sanctions be if Maduro is just going to seize, destroy, or misuse that aid?

Ms. ARNSON. If I could address that, Congressman Green.

I mean, again, just to repeat, the Maduro regime is the principle obstacle to greater delivery.

But as Feliciano Reyna was pointing out, there is, I think, a lot of experience in Venezuelan civil society, in the international community, in delivering aid in an apolitical fashion. And that has to be a fundamental principle.

And to go to what a number of questions have touched on, I think that the scale, the resources for the humanitarian response, both inside Venezuela and outside Venezuela, for the refugees and migrants, has to be dramatically increased.

And there are multiple international relief organizations, U.S. relief organizations, church organizations, USAID, State Department's Bureau of Population, Refugees, and Migrants, that are involved in this every single day, and they just do not have enough. There is just not enough funding to go around.

So I would encourage people, as they look to what are the next steps to help Venezuela, to dramatically increase the amount of resources available.

Mr. GREEN. Yes. And I was, in my preparations for today's committee hearing, surprised to see the delta between the aid to Syrian refugees and the aid to the Venezuelan refugees. And I agree with you, that disparity, I mean, we have got to recruit international partners to it, to this cause.

But, again, my great concern is, whether it is an NGO or governmental assistance, it is got to get past Maduro to get to the people who need it.

And I appreciate your thoughts and your comments.

And, Mr. Chairman, I yield.

Mr. SIRES. Thank you, Ranking Member.

And thank you again to our witnesses and the members for their participation in this important hearing today.

The crisis in Venezuela deserves our urgent attention. I will continue to work closely with my colleagues and the Biden Administration on a bipartisan basis to pursue the peaceful return to democracy in Venezuela.

With that, the committee is adjourned. Thank you to our witnesses. Thank you very much.

[Whereupon, at 12:10 p.m., the committee was adjourned.]

APPENDIX

**SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128**

**Subcommittee on the Western Hemisphere, Civilian Security,
Migration and International Economic Policy**

Albio Sires (D-NJ), Chair

March 3, 2021

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Western Hemisphere, Civilian Security, Migration and International Economic Policy, to be held in Room 2172 of the Rayburn House Office Building. Members who wish to participate remotely may do so via Cisco WebEx. The hearing live webcast on the Committee website at <https://foreignaffairs.house.gov/>:

DATE: Wednesday, March 3, 2021

TIME: 10:00 a.m., EST

SUBJECT: A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security Challenges Facing the Biden Administration

WITNESSES: Mr. Feliciano Reyna
Founder and Executive President
Acción Solidaria

Cynthia J. Arnson, Ph.D.
Director
The Wilson Center Latin America Program

Mr. Brian Fonseca
Director
Jack D. Gordon Institute for Public Policy
Florida International University

Ryan C. Berg, Ph.D.
Research Fellow, Latin America Studies
American Enterprise Institute

To fill out this form online: Either use the tab key to travel through each field or mouse click each line or within blue box. Type in information.

COMMITTEE ON FOREIGN AFFAIRS

Note: Red boxes with red type will NOT print.

MINUTES OF SUBCOMMITTEE ON Western Hemisphere, Civilian Security, Migration and International Economic Policy HEARING

Day Wednesday Date March 3, 2021 Room 2172 and via Webex

Starting Time 10:07 am Ending Time 12:10 pm

Recesses 0 (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

Chairman Albio Sires

Check all of the following that apply:

Open Session ☒

Executive (closed) Session ☐

Televised ☒

Electronically Recorded (taped) ☒

Stenographic Record ☒

To select a box, mouse click it, or tab to it and use the enter key to select. Another click on the same box will deselect it.

TITLE OF HEARING:

A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security Challenges Facing the Biden Administration

SUBCOMMITTEE MEMBERS PRESENT:

See attached.

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not members of full committee.)

*Rep. Ilhan Omar (D-MN), Rep. Greg Steube (R-FL), Rep. Nicole Malliotakis (R-NY), Rep. Debbie Wasserman Schultz (D-FL)**

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

QFR, Sires

QFR, Pfluger

QFR, Castro

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 12:10pm

Clear Form

Note: If listing additional witnesses not included on hearing notice, be sure to include title, agency, etc.

Mariana Cruz Munoz
Subcommittee Staff Associate

WHEN COMPLETED: Please print for subcommittee staff director's signature and make at least one copy of the signed form. A signed copy is to be included with the hearing/markup transcript when ready for printing along with a copy of the final meeting notice (both will go into the appendix). The signed original, with a copy of the final meeting notice attached, goes to full committee. An electronic copy of this PDF file may be saved to your hearing folder, if desired.

WHEM SUBCOMMITTEE HEARING

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OPENING STATEMENT FROM CHAIRMAN SIRES

House Committee on Foreign Affairs
Western Hemisphere Subcommittee

Chairman Albio Sires (D-NJ)

Opening Statement – “A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security Challenges Facing the Biden Administration”
Wednesday, March 3, 2021

- This is our first subcommittee hearing of the 117th Congress, so I want to welcome all of our new and returning members.
- I look forward to working with each of you, Democrats and Republicans, to advance United States interests and deepen our engagement with the Western Hemisphere.
- I want to recognize my friend Juan Vargas, who will be our new vice chair.
- And I would like to welcome our new ranking member, Mark Green.
- Congressman Green and I met for the first time last week and I am optimistic that we will be able to work effectively together on a bipartisan basis.
- I called today’s hearing because I wanted to begin this Congress where we began the last one, by shining a spotlight on the crisis in Venezuela.
- Two years ago, I chaired a hearing entitled “Made by Maduro” where we discussed the humanitarian crisis caused by Venezuela’s dictator, Nicolás Maduro.
- Unfortunately, while international attention seems to be shifting away from Venezuela, the crisis in the country has only deepened over the last two years.
- A report issued by the United Nations last September confirmed that Maduro’s regime has committed crimes against humanity.
- Over ninety percent of Venezuelans are living in poverty, suffering under conditions made worse by the pandemic.
- Over five and a half million Venezuelans have been forced to flee their homes.
- In April of 2019, I led a Congressional delegation to the Colombian border with Venezuela.
- I met mothers who had walked dozens of hours in the hot sun just to get a meal for their children.

- I heard stories about family members with chronic diseases who could not obtain the medications they needed in Venezuela and were struggling to survive.
- I saw firsthand the suffering this regime has caused.
- For me, the Venezuela crisis has never been about politics.
- The question I have always asked is what can we, as the United States Congress, do to help end this humanitarian tragedy?
- We have a moral obligation not to turn away from what is happening in Venezuela.
- I am proud that the U.S. Agency for International Development has led the way in providing humanitarian assistance to the region.
- I salute all those courageous Venezuelans and international aid workers who are working in the country to deliver food and medicine.
- I also want to recognize the efforts of Interim President Juan Guaidó and his government.
- They are prioritizing the needs of the Venezuelan people by pursuing an agreement on vaccine deployment and by calling for the World Food Program to be allowed to operate in the country.
- I also want to applaud the Colombian government and particularly President Ivan Duque for his recent decision to grant temporary protected status to Venezuelans.
- In the face of one of the largest refugee crises in modern history, Colombia has shown tremendous generosity in providing safe haven for Venezuelans.
- I urge other countries to follow Colombia's example and put an end to harmful policies like deporting Venezuelans back into harm's way.
- I also urge Congress to urgently pass legislation to grant Temporary Protected Status to Venezuelans fleeing the crisis.
- House Democrats did this in 2019 and I sincerely hope that all of my colleagues will join that effort this year to finally provide the relief that Venezuelans deserve.
- Ultimately, we know that an end to the humanitarian crisis requires a political solution.

- Ranking Member Green and I will introduce a resolution in the coming days expressing our bipartisan commitment to supporting the democratic aspirations of the Venezuelan people.
- We must pursue a solution to this crisis with the urgency it deserves.
- I believe the U.S. must work more closely with our allies in Latin America and Europe to advance a coordinated diplomatic strategy.
- We should also be much more assertive in calling out the regimes that are helping to keep Maduro in power, including Cuba, Turkey, China, Iran, and Russia.
- I am confident that President Biden, who has demonstrated a lifelong commitment to Latin America, will bring the international community together behind the goal of pursuing a peaceful transition that swiftly leads to free and fair elections.
- I look forward to hearing from the experts with us today about what the U.S. Congress and the new administration can do, in close coordination with our allies, to help the Venezuelan people reclaim their democracy.
- Thank you, and I now turn to the Ranking Member for his opening statement.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD

Questions for the Record from Chairman Sires “A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security Challenges Facing the Biden Administration” Wednesday, March 3, 2021

To Mr. Feliciano Reyna

1. **Food Insecurity:** In February 2020, the United Nations World Food Program (WFP) released an assessment showing that in 2019, 9.3 million Venezuelans were food insecure, with 2.3 million people at severe levels. Many Venezuelans reported that the price of food presented more of an obstacle than its availability. An agreement was negotiated over eight months to permit the WFP and other international aid groups to bring food into the country, but Maduro refused to sign unless WFP would allow Maduro to control distribution, including by using *colectivos* to help distribute food.

- What prospects exist for an agreement to be reached that would allow for non-political distribution of WFP food assistance?

The situation of food insecurity has gotten much worse since the WFP conducted its analysis on the ground between July and September 2019. In fact, they warned that any shock which would affect Venezuela, would increase the numbers of acutely food insecure population of 9.3 million at the time. In a new publication by the WFP, titled “Hunger Hotspots: FAO-WFP early warnings on acute food insecurity - March to July 2021 outlook”, it is stated that Food insecurity levels are expected to rise significantly beyond those of 2019, when around 9.3 million Venezuelans were food insecure according to the WFP CARI Scale”. Given these conditions and other economic challenges faced by the Maduro government, it seems possible to press for the WFP to finally be allowed into Venezuela to implement a wide range of its programs, independently from the so-called CLAP system and other impositions. A unilateral sign by the Biden administration to work with the Maduro government in favor of the Venezuelan people, such as lifting the diesel ban (which hurt the people and not those in power), could open doors for allowing the WFP in.

- In what ways has food assistance been politicized and what can the U.S. do to work toward the depoliticization of humanitarian aid?

Perhaps a deal could be reached in which, once the diesel ban is lifted, based solely on humanitarian concerns and to benefit the population in need, the Maduro government would immediately allow the WFP into Venezuela, to implement its programs independently from political manipulations. As well, it would be key to press for conditions for NGO’s to implement cash transfers to individuals and families at risk, without fear of criminalization. These programs were the reason why three humanitarian organizations were persecuted at the end of 2020 and beginning of 2021.

To Dr. Cynthia Arnson

1. **Biden Administration Strategy:** The Trump administration’s strategy toward Venezuela relied on “maximum pressure,” betting that sanctions would lead to a quick transition to democracy. While this strategy seems to have helped accelerate the already-rapid decline of Venezuela’s oil industry, Maduro’s grip on power appears stronger now than at any point since

2019. It seems that in order to work toward a democratic transition, the U.S. will need a longer-term strategy.

- What should be the specific pillars of the Biden administration's Venezuela strategy?
- How can sanctions be better incorporated into a clear diplomatic strategy to promote a democratic transition in Venezuela?
- What role should different U.S. agencies play in implementing that strategy?

Nicolás Maduro made several gestures in April and May 2021, in an attempt to curry favor with the Biden administration. The regime is desperate for sanctions relief, without which the economy and the critical oil sector have no chance for recovery. The gestures including releasing detained CITGO employees to house arrest, allowing two members of the opposition to take positions on the electoral council (CNE), and allowing the World Food Program to start providing limited assistance inside the country, something which the regime had refused to do in the past, despite staggering needs. Biden administration policy should be built on the recognition that political change towards democratization in Venezuela will be slow and incremental and come about not through the implosion of the regime, but rather, through political negotiations between the opposition, representatives of the regime, and key actors from civil society who do not feel represented by either side. The administration should be ready to respond to meaningful advances in the talks with reciprocal, measured steps of its own—a renewal of oil for diesel swaps to address critical fuel shortages, as well as the selective lifting of individual sanctions and indictments. Negotiations require carrots as well as sticks. Leaving members of the regime with the impression that a democratic opening will lead directly to a jail cell in the United States creates incentives for resisting democratization at any cost. The Biden administration should also engage meaningfully with Venezuelan civil society groups and the international human rights community on transitional justice mechanisms. The most difficult questions will involve what to do with those responsible for crimes against humanity (as noted by the United Nations High Commissioner for Human Rights), who may still have the power to threaten the transition.

2. Engaging Adversaries on Venezuela: A number of countries have maintained support for Maduro since the beginning of the political crisis. For example, Russia and China blocked efforts to recognize the Guaidó interim government at the U.N. Security Council. Turkey and Iran have helped the regime skirt U.S. sanctions. At the same time, there was little public evidence to suggest that Trump administration officials consistently raised the topic of Venezuela when engaging countries like Russia, China, and Turkey.

- Do you believe there is room for the Biden administration to elevate the issue of Venezuela in its bilateral relations with countries like Russia and Turkey?
- What would be your recommendations for how the administration might elicit short-term concessions from these countries?
- Is there a path for cooperation with any of these specific countries on Venezuela? If so, should this be pursued bilaterally or within the United Nations or other multilateral institutions?
- Could other groups, such as the Lima Group or the International Contact Group, be helpful in engaging Russia and other countries on the issue of Venezuela?

Adversarial US relationships with the Maduro regime's most important international allies—Iran, Cuba, Turkey, Russia, and China—add a complicated international dimension to the search

for a democratic solution to Venezuela's crisis. Understanding the uniqueness of each relationship will be critical to unwinding some of them. It is important to note that none of Venezuela's allies is in a position to provide significant economic assistance to rescue the regime or the economy. China in many respects poses the fewest challenges. It has a long-term interest in access to Venezuela's oil and in Venezuela's repayment of significant debt; both of these interests should be accommodated in any future negotiations. Russia has reaped significant propaganda gains vis-à-vis domestic public opinion in Russia by demonstrating power projection into the Western hemisphere. And Kremlin officials view challenging the United States in its 'near abroad' as retaliation for US and Western involvement in Ukraine and other former Soviet republics. Russia may have an interest in claiming that it has played a role as a power-broker in Venezuela, which would lessen the domestic political costs of 'losing Venezuela' and allow Putin to continue to claim that "Russia is back." It is difficult to envision Cuba's being willing to play a constructive role absent a thaw in US-Cuban relations and a relaxation of the punishing approach adopted under the Trump administration. Iran and Turkey both benefit from receiving Venezuelan gold in exchange for gasoline and other goods. A return to negotiations over Iran's nuclear program could yield benefits. It is unlikely that the Biden administration will want to engage bilaterally with each of Venezuela's allies as part of a search for a negotiated solution. This is better accomplished through a United Nations special envoy or a third-country mediator such as Norway.

3. Possibilities for Renewed Dialogue and a Negotiated Solution: While the Norway-mediated talks during the summer of 2019 seemed promising at first, Maduro ultimately stopped participating in negotiations in early August 2019 and Guaidó pulled out of the process in September. The Trump administration still seemed committed to a military defections strategy at the time and did not formally back the negotiations.

- What needs to happen for Maduro to feel incentivized to return to negotiations?
- What possibilities currently exist for renewed dialogue between Maduro and the opposition that could lead to free and fair elections and a democratic transition?
- Do you believe that guarantees would need to be provided for Maduro and his allies as part of a negotiation—what some observers have referred to as a "safe landing place"—for them to feel that the costs of leaving power are not so significant that it takes the option off the table?
- Who is best positioned to mediate these negotiations if they were to take place?
- Are there specific commitments or conditions from the Maduro regime that you believe the U.S. Government should demand in order to support such negotiations?

Maduro has no chance of reviving the Venezuelan economy under the current sanctions regime. He clearly wants sanctions relief, but the question is, in exchange for what? Sectors within *chavismo* undoubtedly see the current status quo as untenable in the medium- to long-term, and may be willing, in the context of a negotiation, to accommodate opposition demands for free, verifiable elections in exchange for certain things. Among them would be a recognition that *chavismo* will remain an important political force within Venezuela, eligible to compete in elections alongside opposition candidates. As noted above, the Biden administration should indicate its willingness to lift criminal indictments of top regime officials once there is agreement on a framework and timeline for free elections under international supervision. Setting pre-conditions for negotiations—such as Maduro's resignation—is likely to be resisted.

The release of political prisoners should be a top priority, along with greatly expanded opportunities for humanitarian assistance within Venezuela. But these should not be pre-conditions for talks, but rather, initial goals that, if achieved, would build confidence in the negotiations process. The Biden administration should support the efforts of international mediators to achieve progress on these more discreet goals, as part of a process of building trust between the parties in the search for a broader political agreement.

To Dr. Brian Fonseca

1. **Engaging Adversaries on Venezuela:** A number of countries have maintained support for Maduro since the beginning of the political crisis. For example, Russia and China blocked efforts to recognize the Guaidó interim government at the U.N. Security Council. Turkey and Iran have helped the regime skirt U.S. sanctions. At the same time, there was little public evidence to suggest that Trump administration officials consistently raised the topic of Venezuela when engaging countries like Russia, China, and Turkey.

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Dr. Fonseca did not respond in time for printing.

Subcommittee on Western Hemisphere, Civilian Security, Migration, and International Economic Policy

Hearing 3/3/21: A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security Challenges Facing the Biden Administration

Representative August Pfluger, Questions Submitted for the Record

1. How much of a threat do TCO's in Venezuela pose to the U.S. with regards to drug trafficking and human trafficking?

Ryan C. Berg: As I referenced in my written and oral testimony, Venezuela is a criminal state. Many of the government's most important institutions have been overrun by transnational criminal organizations and actively work to advance their interests. This can be observed most prominently in the *Cartel de los Soles*, which is comprised of high-level members of Venezuela's defense forces, as well as members of the political class (up to and including Maduro himself). The *Cartel de los Soles* uses state resources to traffic vast sums of cocaine. In a statement accompanying the indictments of Nicolás Maduro and several members of his immediate circle for drug trafficking, the U.S. Department of Justice referenced the use of cocaine as a weapon to "flood" the U.S., a strategy first conceived under Maduro's predecessor, Hugo Chávez.¹

In addition, the Maduro regime provides safe haven to designated terrorist groups and transnational criminal organizations, such as the dissident Revolutionary Armed Forces of Colombia (FARC-D), the National Liberation Army (ELN), and even Lebanese Hezbollah. All of these groups are involved in drug and human trafficking to varying extents. As the U.S. Department of State's 2019 Country Reports on Terrorism indicate, Venezuela not only fails to cooperate with the U.S. in counter-terrorism measures, but risks becoming a "failed state" overtaken by terrorist organizations.² These realities mean that Venezuela poses an underappreciated and significant security threat to both the U.S. and to Latin America generally.

2. How much pressure will this place on our southern border?

Ryan C. Berg: During oral testimony, I mentioned that most Venezuelan refugees depart Venezuela through the border with Colombia. Many have decided to remain in Colombia, which as of this response (March 2021), hosts nearly 2 million Venezuelan refugees, a number that is anticipated to increase as Venezuela's political and economic meltdown continues. For the Venezuelans who have decided to migrate beyond Colombia, they have tended to settle in Ecuador, Peru, Chile, and Argentina in large numbers. The capacity of these countries to absorb Venezuelan refugees – from the bureaucracy's ability to register them legally to the economy's ability to employ them to rising xenophobia in local politics – is at a potential breaking point. Quite simply, the entire region's cohesion and social fabric is at stake in the effort to successfully integrate Venezuelan refugees.

As this crisis continues unabated, we may witness greater numbers of Venezuelan refugees moving into Colombia and through Central America toward America's southern border. Currently, the vast majority of those requesting asylum at our southern border are Central

American and Mexican in origin. Venezuelans currently represent a much smaller percentage, but could grow to a greater percentage of asylum applicants as the Maduro regime continues to clamp down on Venezuelan society and as the economy spirals into freefall.

Beyond people, rampant drug trafficking by the Maduro regime and the use of Venezuela as a transit point for cocaine traversing the Caribbean contributes to violence and insecurity, from which many Central Americans are fleeing. The data show a significant number of narco flights emanating from Venezuela, traversing the Caribbean, and landing at clandestine airstrips in either Honduras or Guatemala, from which point the drugs are trafficked north to the USA over land routes. In this sense, Venezuela's economic collapse and the Maduro regime's participation in criminal activities such as drug trafficking have a deep impact on America's southern border.

3. How do President Biden's new border policies put Americans at risk from the above vulnerabilities?

The Biden administration is attempting to push for major changes from the previous administration's border policies while simultaneously trying to signal that now is not the time to migrate north—a tall order indeed. Many migrants in the region—Venezuelan and non-Venezuelan alike—are apt to interpret a change in administration as synonymous with a change in policy. Even small changes in policy can ignite the formation of large migratory movements and an uptick in arrivals at the southern border. The truth is that arrests at the southern border have been rising since late 2020. According to U.S. Customs and Border Patrol, an agent encountered a migrant at the border more than 78,000 times in January 2021, more than double the number of encounters reported in both January 2020 and January 2019. In fact, the numbers from January 2021 represent the highest number of migrant encounters in the month of January in more than a decade.³ As these numbers show, the Biden administration will have to thread the needle carefully in its border policies without sending the wrong message.

Notes

¹ “Nicolás Maduro Moros and 14 Current and Former Venezuelan Officials Charged with Narco-Terrorism, Corruption, Drug Trafficking and Other Criminal Charges,” US Department of Justice, March 26, 2020, <https://www.justice.gov/opa/pr/nicol-s-maduro-moros-and-14-current-and-former-venezuelan-officials-charged-narco-terrorism>.

² “Country Reports on Terrorism 2019: Venezuela,” US Department of State Bureau of Counterterrorism, <https://www.state.gov/reports/country-reports-on-terrorism-2019/venezuela/>.

³ Nick Miroff, “Border Arrests Rose in January, in Latest Sign of Migration Wave that Could Test Biden,” *Washington Post*, February 10, 2021, https://www.washingtonpost.com/immigration/border-arrests-increased-in-january/2021/02/10/8604f714-6bc0-11eb-9f80-3d7646ce1bc0_story.html.

**A Way Forward for Venezuela: The Humanitarian, Diplomatic, and National Security
Challenges Facing the Biden Administration
Western Hemisphere Hearing
Wednesday, March 3, 2021**

**Congressman Joaquin Castro
Questions for the Record**

Questions for Mr. Reyna:

COVID-19 Impact:

1. Thank you for speaking to our Committee about the important work civil society organizations like yours are doing in Venezuela. I chair the subcommittee that handles international development policy.
2. As you know, on February 11, Venezuela's opposition and Nicolás Maduro agreed to cooperate to purchase and distribute COVID-19 vaccines for 6 million Venezuelans. I think this is a positive step towards fighting the coronavirus pandemic in the country. It has been reported that about 1.4 million doses of the vaccine will come from the World Health Organization-linked COVAX initiative, while the source of the rest of the vaccines is yet unclear.

How can the United States help mobilize resources to ensure countries in need like Venezuela receive the appropriate amount of vaccines? How can we ensure that vaccines are distributed equitably and that the distribution contains strong multilateral oversight?

The recently signed agreement calls for acquisition of 12 million vaccines, to vaccinate 6 million people. Our understanding is that a technical group established by the 2015 National Assembly Humanitarian Aid Commission, the Venezuelan health Department, PAHO and UNICEF, in which other organizations such as the National Academy of Medicine would participate, will be in charge of coordinating the vaccination plan. As well, civil society organizations would provide support monitoring in the program's implementation. If this first stage is successful, the US should continue supporting the COVAX mechanism both for continuing to vaccinate at-risk people in Venezuela, as well as for vaccinating Venezuelan migrants in the region. If the number of individuals vaccinated in any given country should be around 70% of the population, this would mean that in Venezuela at least 13.5 million should be vaccinated in the coming months, and over 3.5 million in the region.

Humanitarian Assistance:

1. During your testimony you've mentioned several recommendations for how the United States can better address the humanitarian situation in Venezuela. One of these recommendations includes revising sanctions. You also mentioned that independent civil society organizations are becoming increasingly active in trying to open up the humanitarian space in Venezuela.

Could you explain, in detail, if these sanctions have negatively impacted the status of the public health in Venezuela? Were there any circumstances in which sanctions prevented organizations from providing life-saving care or medical assistance to the people of Venezuela? How can the United States better support civil society organizations in the important work they are doing in Venezuela?

Individual sanctions had an initial impact mostly due to issues of overcompliance by the banking system. Opening individual and organizational accounts became much more difficult, monitoring was burdensome and even unsafe, given that e mail messages were sent regarding transactions, without considerations for security issues. Through meetings with banking institutions, we also were informed that obtaining licenses by OFAC could take up to 18 to 24 months and were a complex process. With time, many learnt how to deal with those issues of overcompliance. However, in the meantime a few organizations and individuals had their accounts closed, affecting humanitarian and human rights work. We have shared our concerns with the Treasury and OFAC and have been able to work on specific cases. It would be ideal to continue with these engagements and working together to overcome obstacles.

When direct flights and shipments between the US and Venezuela were prohibited, our humanitarian work was affected in several ways: longer travel time for humanitarian aid, higher costs, and even difficulties to bring in cold-chain products, such as insulin. We hope these prohibitions for direct cargo flights and shipments, including humanitarian aid, as well as for passenger flights, could be revised. They do not seem to have affected those in the Venezuelan power structure, but mostly both common citizens and transportation of humanitarian aid.

Regarding the diesel ban, we believe it should be lifted urgently. This is one particular sanction which is more directly affecting the Venezuelan population at large: food producers, transportation of goods around the country, power generation in many areas (including medical care), mass public transportation, among other areas which directly impact the daily lives of Venezuelans already suffering the consequences of the humanitarian emergency. Reserves of diesel are diminishing fast, and Venezuela will be

left with production that does not cover internal demand. The ban will contribute to creating yet another black market, benefiting the few with access to the scarce national production. We understand the Maduro government has found ways to offset the effects of the ban, selling oil directly to other countries. In sum, the ban has no effect on the Maduro government, but it does affect thousands of Venezuelans in need.

Sanctions should be thought again as measures to bring political actors to the negotiating table, to create conditions for a long-lasting, democratic, non-violent solution to the Venezuelan political conflict. It seems necessary to revise them, one by one, to analyze their real impact regarding this purpose, particularly in regards to those which, given their duration in time, are severely impacting the population.

Questions for Dr. Arnson:

Humanitarian Assistance:

1. On February 8th, Colombian President Ivan Duque announced that Colombia would grant protection and a pathway to lawful status to almost 1.7 million Venezuelan refugees living in Colombia. I applaud this decision and urge the United States to follow in Colombia's footsteps by providing temporary protected legal status to Venezuelans in our country. **How can the United States assist the Colombian government in ensuring a successful implementation of their plan to provide a pathway to lawful status to Venezuelan refugees?**

The Colombian government faces daunting challenges in implementing its generous and historic offer of TPS to Venezuelans in Colombia. First is the giant logistical effort to register 1.8 to 2 million migrants and refugees in the midst of a pandemic that has yet to be brought under control. Assistance to the Colombian government and international organizations such as the UNHCR to support mobile teams, call centers, and other forms of outreach to Venezuelans is essential. Additional resources for humanitarian assistance, including for refugees who continue to arrive despite the closure of the border, is also critical. The Colombian government and international community recognize that for integration to be successful, assistance to host communities—in Colombia and other migrant-receiving countries—is essential. Colombia has emphasized the development opportunity that migrants represent. Realizing this vision requires multiple forms of support, from immediate impact humanitarian assistance to access to microfinance and inclusion in the education and health systems. Colombia cannot do this alone and international resources to deal with Venezuelan migrant and refugee flows have been woefully adequate.

Multilateral Support for a Peaceful Transition of Power:

1. Thank you for your testimony. I think we can all agree that working towards a peaceful and safe return to democracy is the best outcome for Venezuela and its people.

In the last several years, the past Administration failed to gather enough multilateral support for a transition of power and for a negotiated solution for Venezuela.

How can the new Biden Administration and Congress work together to gain support from other countries and multilateral organizations to move the needle towards a peaceful transition of power in Venezuela?

I've addressed parts of this question in my written responses to questions posed by Chairman Sires. During the Trump administration, US officials made substantial efforts to isolate the Venezuelan government and convince democratic allies in Latin America and Europe to join the US "maximum pressure" campaign. Special Envoy Abrams put forth a plan for negotiations, which was undercut by ill-timed US military exercises and which included what I believe was an erroneous demand that Maduro resign in order for talks to occur. A negotiations effort spearheaded by Norway was also undermined by the timing of US secondary sanctions against Venezuela.

The Biden administration should avoid these mistakes, recognizing, on the one hand, that US support and coordination with US officials is essential to the success of any negotiations, and, on the other hand, that others in the international community should be in the lead. The Biden administration can also use its influence with the Venezuelan opposition to approach talks with a sense of realism, not a set of maximalist demands ("end the usurpation"). Finally, the Biden administration can and must distinguish among the interests of Venezuela's allies in order to achieve a favorable international environment for a successful process of political change.

Questions for Dr. Fonseca:

Chinese Influence in Venezuela:

1. As you know, China has provided Venezuela with over \$64 billion in loans since 2008, of which Venezuela still owes \$20 billion. This is obviously of great national security for the United States and for other countries in the Latin America. **How do you envision the role of multilateral banks like the Inter-American Development Bank in counteracting some of the influence China has inserted in the region?**

Dr. Fonseca did not respond to the question in time for printing.